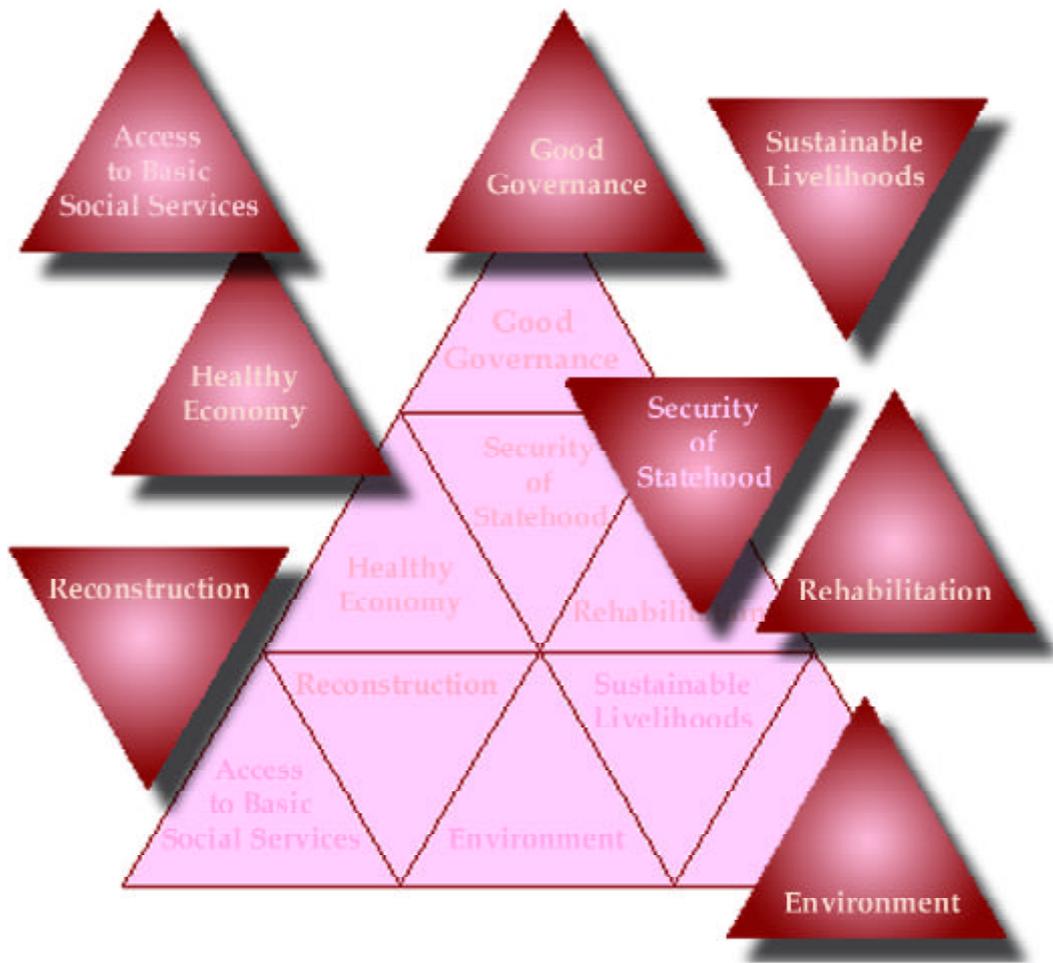


Building Blocks for a Nation



The CCA has been prepared in a consultative manner by all the UN agencies in East Timor with a wide range of partners. Special thanks are due to our colleagues in UNTAET and ETTA who provided their advice, enthusiasm and support to the process, as did many colleagues from East Timorese and International NGOs.



Please note: At the time of writing East Timor had not attained the formal status of independent country. However, for ease of reading, East Timor is referred to as a country throughout the text.

Foreword

The development situation of East Timor is tragically unique. Not since the end of World War II has a country experienced such destruction of its infrastructure, complete collapse of government structures, displacement of most of its population and near-total disruption of all economic activities. The cost in material and human terms has been immense.

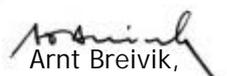
Most of the resident UN agencies have been in the country since the last quarter of 1999, at first as part of the humanitarian and emergency programmes and since early 2000 to support longer-term development efforts. In their operations, the UN agencies interact with the East Timor Transitional Administration (ETTA) in much the same way as they would with the government in a normal development situation. The agency activities are coordinated through the UN Development Coordinator System, equivalent to the Resident Coordinator System in independent countries.

Preparing a common country assessment (CCA) at this early stage of nationhood is not without risk. ETTA has yet to establish an overall development planning framework, there is a lack of reliable data and all agencies are still in the early stage of setting up their long-term operations in the country. However, the UN agencies felt a need for a baseline study to be done, imperfect as it may be at this early stage, to guide their work during the transition and into the early years after independence. The aim is for the agencies to position themselves as strong and reliable development partners, fully supporting the programmes of ETTA and UNTAET until independence while building up their own capacity for the envisaged long-term cooperation with the Government of an independent East Timor. The next formal step in this process will be the preparation of a United Nations Development Assistance Framework (UNDAF), planned for 2001.

The CCA draws on existing studies and analyses but attempts to link those efforts and further the analysis. In particular, the report of the World Bank-led Joint Assessment Mission (JAM), which took place in October/November 1999, has been used as a point of reference. The JAM report formed the basis for the World Bank funded programme for East Timor, which has the following main sectoral components: Education, health, agriculture, economic management, physical infrastructure, private sector and community development. The CCA fully endorses the centrality of these seven development areas. However, it highlights a number of other key development issues, which will also require urgent attention in order to achieve socio-economic development that is human-oriented, equitable and sustainable.

For the short to medium term it is expected that significant amounts of financial and other resources will continue to be available, primarily from external sources, to promote development efforts in East Timor. However, East Timor is not a rich country and in the absence of extraordinary economic growth will not have at its disposal the national resources required to achieve desired development goals. Continued external funding for development activities is not assured in the long term. Furthermore, continued insecurity along the border with West Timor not only constitutes a threat to the lives and property of the people living in the area but may also become a drain on scarce resources required for development.

It is hoped the CCA will clarify the issues at hand and thereby help to not only chart the path to development in East Timor but also encourage continued financial support for the construction of this new nation.



Arnt Breivik,
WFP



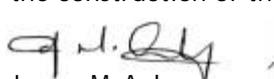
Estrella Serrano,
UNFPA



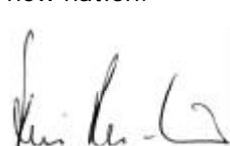
Rodney Hatfield,
UNICEF



Joseph Dome,
FAO



James McAuley,
ILO



Finn Reske-Nielsen
UNDP Representative and
Development Coordinator



Alex Andjaparidje,
WHO



David Rendall,
UNOPS



Nellie Chan,
UNHCR

Dili, November 2000

Abbreviations

ADB	Asian Development Bank ADRA
AIDS	Acquired Immune Deficiency Syndrome
AusAID	Australian Agency for International Development
ANMEFTIL	Associasao Makaer Fukun Timor Lorosae (Jurist Association)
ANU	Australian National University
ASDT	Associacao Socialista Democratica Timorese
BABINSA	Badan Pembinaan Desa
BPS	Biro Pusat Statistic (Central Statistic Bureau)
BULOG	Badan Urusan Logistic (Logistic Institution)
CAP	Consolidated inter-agency Appeal
CCA	Common Country Assessment
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CEP	Community Empowerment Project
CIVPOL	UN Civilian Police
CNRT	Concelho Nacional de Resistencia Timorese
ETDA	East Timor Development Agency
ETISC	East Timor International Study Center
ETTA	East Timor Transitional Administration
FAO	Food and Agriculture Organization of the United Nations
FRETILIN	Frente Revolucionária de Timor Leste Independente
GDP	Gross National Product
GRP	Gross Regional Product
GTZ	German Agency for Technical Cooperation
HABITAT	United Nations Centre for Human Settlements
HAER	UNTAET Humanitarian Assistance and Emergency Relief
HIV	Human Immunodeficiency Virus
HTO	Hamoris Timor Oan
ICRC	International Committee of the Red Cross

IHA	Interim Health Authority
ILO	International Labor Organization
IMF	International Monetary Fund
IMR	Infant Mortality Rate
INTERFET	International Force in East Timor
IOM	International Organization for Migration
IRC	International Rescue Committee
JAM	Joint Assessment Mission
JICA	Japan International Cooperation Agency
NGO	Non-Government Organization
NC	National Council
NCC	National Consultative Council
OCF	Oratorio Communication Forum
PASC	Pilot Agriculture Services Center
STDs	Sexually Transmitted Diseases
TFET	Trust Fund for East Timor
TNI	Tentara Nasional Indonesia (Indonesian National Army)
UDT	Uniao Democratica Timorese
UNAMET	United Nations Assistance Mission in East Timor
UNCHS	United Nations Center for Human Settlement
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNFPA	United Nations Fund for Population
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children Fund
UNOPS	United Nations Office of Project Services
UNTAET	United Nations Transitional Administration in East Timor
UNV	United Nations Volunteers
VAM	Vulnerability Assessment Monitoring (WFP)
WFP	World Food Programme
WHO	World Health Organization

Contents

Overview	8
<i><u>Chapter 1: Introduction</u></i>	17
Developing the CCA in East Timor	17
Format of the Document	19
<i><u>Chapter 2: Overview of Political History</u></i>	20
Traditional East Timorese Society	20
A Turbulent History	21
Current Political Challenges	24
<i><u>Chapter 3: Overview of Macroeconomic Situation</u></i>	26
Macroeconomics Setting	26
The Economy Prior to the Crisis	26
Impact of the Crisis	28
Current Situation	28
Future Perspectives	30
<i><u>Chapter 4: Poverty and Vulnerability in East Timor</u></i>	33
Global Conferences and Conventions Related to this Area	33
The Face of Poverty	33
The Causes of Poverty	35
<i><u>Chapter 5: Rehabilitation and Recovery</u></i>	38
Global Conferences and Conventions Related to this Area	38
Repatriation and Reintegration of Refugees and IDPs	38
Shelter	42
Land & Property Issues	45
Rehabilitation of Infrastructure	46

<u>Chapter 6: Access to Basic Services</u>	51
Global Conferences and Conventions Related to this Area	51
Health	52
Basic Education	57
Water and Sanitation	65
Social Services and Safety Nets	68
<u>Chapter 7: Sustainable Livelihoods and the Environment</u>	72
Global Conferences and Conventions Related to this Area	72
Defining Sustainable Livelihood Systems	72
Rural Livelihoods	73
Urban Livelihoods	81
Environmental Crisis	86
<u>Chapter 8: Governance, Human Rights, and Civil Society</u>	91
Global Conferences and Conventions Related to this Area	91
Good Governance	92
Institution Building	94
Capacity Building	97
Human Rights	102
Civil Society	109
<u>Annex 1: Problem Tree Analysis</u>	113
Diagram A: <i>Causes and Consequences of the Housing Shortages</i>	113
Diagram B: <i>Causes and Consequences of the Main Causes of Poor Health Status of the East Timorese</i>	114
Diagram C : <i>Causes and Consequences of Poor Quality and Inequitable Access to Education</i>	115
Diagram D: <i>Causes and Consequences of Subsistence Orientated Agriculture</i>	115
<u>Annex 2: Indicators for the Common Country Assessment</u>	116
<u>Annex 3: WFP Vulnerability Assessment Maps</u>	129
<u>Bibliography</u>	146

Overview

In undertaking a Common Country Assessment (CCA) for East Timor, the objective of the United Nations agencies was to achieve a deeper knowledge of the key development challenges, based on a common analysis and understanding of the development situation. The CCA was developed in close partnership with ETTA and civil society representatives, including both international and national NGOs. The document addresses the national priorities and needs from a people-centred perspective within the framework provided by global conferences, conventions and declarations.

In the aftermath of a humanitarian crisis, there can be a tendency to start analysis from zero, particularly in a country such as East Timor where the physical destruction of September 1999 was so immense. However, it is important to take into account the previous social and economic structures, as these will continue to have an impact on the current situation. In each area, therefore, the CCA looks at the situation in East Timor from the perspective of what existed before, the impact of the crisis, and then the current situation. From this it can clearly be seen that many of the challenges East Timor faces are not new, but firmly rooted in the past, particularly as regards issues around poverty and rural livelihoods.

Macroeconomic Overview

East Timor will be poor for many years to come. Its future as a viable, prosperous and fair society will be assured only if rapid, sustained and equitable economic development is achieved¹. The economy is characterised by its dualistic nature and its overwhelming agricultural base. East Timor is primarily an agricultural economy, with 90% of the population living in rural areas and 75% of the labour force engaged in agriculture, primarily subsistence agriculture. The economic framework has changed dramatically as East Timor can no longer rely on transfers from the central government of Indonesia. External financing now plays a major role in the economy, but this will be relatively short term, and the future development potentials need to be explored.

East Timor ranks among one of the poorest countries in the world. It is estimated that it will take sustained growth rates over at least 5-6 years to regain the already low pre-crisis income levels. East Timor has inherited a distorted, highly segmented economy. The deterioration in the road network and breakdown of previous internal trading systems has created serious problems for the rural economy, which remains extremely weak.

Among the areas of potential future economic development for East Timor, the most immediate lie in the rural sector, with a focus on coffee and rice production, with coffee as the main export commodity. In addition, the oil resources of the Timor Gap are expected to be a major source of revenue, though it is estimated that it will take several years before these revenues come on stream. In this respect, East Timor will need to ensure that the economic benefits from the oil revenues will benefit the population as a whole, rather than being concentrated in a relatively small foreign dominated enclave economy.

Poverty in East Timor

Poverty in East Timor is widespread. GDP per capita was estimated at US\$375 per capita in 1998, and estimates for 1999 are US\$304. Estimates suggest that 50% of the population live below the international established criteria for absolute poverty of US\$1 a day. However, understanding poverty in a rural dominated, subsistence-oriented country such as East Timor, requires moving beyond figures and cash incomes and examining exactly who are the poor and vulnerable. Without understanding the stratification of East Timorese society, it is difficult to ensure

¹ "East Timor: Development Policy Challenges for the World's Newest Nation" Hal Hill, Australian National University, August 2000

that development assistance reaches those who need it most. Pre-existing inequities may be further exacerbated through well-meaning rehabilitation and development programs. The CCA attempts to identify who might be the poorest and most vulnerable, but further analysis is necessary to explore the determinants of poverty.

It is clear that poverty in East Timor has a female face. Two-thirds of women are illiterate; many have large families, tend to sick children, and have heavy responsibilities within the household and on the farm. As a result, women's health suffers. The fact that mothers in East Timor are amongst the most likely in the world to die as a result of childbirth is a tragedy in the 21st century. In addition, the poor and vulnerable throughout the world are often powerless, particularly poor women. Under the Indonesian system, power was centralized in Jakarta; now power and decision-making is centralized in Dili. Poor people lack clear processes to influence change.

The causes of poverty are numerous, and date much further back than the crisis of September 1999. Strategies aimed at addressing poverty in East Timor need to analyse the historical roots of poverty, the issues of social stratification, and structural causes of poverty. The multiple and varied problems facing East Timor today have numerous structural causes including the following:

- The dualistic nature of the economy, with a modern non-Timorese sector and a rural, subsistence oriented agricultural economy
- Environmental damage
- Confusion regarding land and property rights
- The poor quality of road, marketing and transportation systems
- The marginalized and inequal position of women

To take the example of just one structural problem, it can be seen that the poor state of the transportation and marketing network has serious implications for poverty. Neglected roads, damage from the crisis, destruction of vehicles, and the collapse of the rural marketing and processing network mean that rural producers have few ways of getting their produce to market and transportation costs have soared. Unless these problems are addressed, initiatives aimed at increasing production or introducing new, alternative sources of income will fail. There are also serious social implications of poor roads and transportation as it becomes more difficult to access health centers, schools, particularly in isolated areas. Women will become more likely to deliver babies without supervised attendants, and it becomes more difficult and costly to provide health promotion or agricultural extension services.

Rehabilitation and Recovery

Even though the immediate emergency and humanitarian phase has passed, East Timor is still left with the challenge of rehabilitation and reconstruction. This chapter examines the issues related to the immediate recovery needs including: repatriation and reintegration of refugees and displaced people, shelter, and rehabilitation of infrastructure.

In September 1999, almost all of the population became internally displaced or refugees. Many of those who went to West Timor were forced to do so by the militia and elements of the Indonesian military. The vast majority have now returned home, but some 100,000 refugees² remain in West Timor. A certain element of these refugees are hard-core militia and as such are unlikely to return to East Timor. It is believed that many of the refugees would return home, but are subject to intimidation and propaganda preventing their return. The presence of the refugees in West Timor is both a destabilizing element for East Timor, and increasingly also for West Timor and Indonesia as a whole, as was seen in the

² Exact figures are not known. Estimates range from less than 80,000 to 120,000. 100,000 is the planning figure used by UNHCR.

events surrounding the murder of three UNHCR staff in September 2000.

For those refugees who have returned home, and who may have been associated with militia type activities, reconciliation forms an important part of the reintegration process. The reconciliation process being launched in villages across the country will have not only immediate benefits, but can also contribute to nation building, and set the stage for future civic education programmes and preparations for the electoral process.

The scale of destruction of houses and public buildings in the violence of September 1999 was enormous. It is estimated that almost 70% of houses were destroyed or severely damaged. The shelter programme launched under the humanitarian programme has gone some way to meet immediate shelter needs. However, as no emergency shelter programme was undertaken in Dili, urban housing needs remain acute. The situation is compounded by the fact that, as was the case in other sectors of the modern economy, the construction industry was dominated by non-Timorese. This lack of experience in the industry, combined with the lack of access to credit and capital, makes it extremely difficult for this industry to develop.

The lack of clarity with regard to land and property rights is one of the major elements slowing down the pace of rehabilitation and recovery, and could also hinder long-term development. Not only were many of the housing, property and land registration records destroyed in September 1999, but also there is the question of multiple claims on land with conflict between customary law, Portuguese title, and Indonesian title.

One of the major problems facing East Timor is the state of the damaged infrastructure including roads and bridges. This has hindered the implementation of aid and development programs, slowed down repatriation efforts, been a barrier to the marketing of crops and economic growth in general, further reduced access to basic services, and has tended to reinforce the isolation of rural communities. Unless this issue is addressed, future development efforts will also have slow implementation levels, leading to further frustration and hardship. Another important issue concerns the sustainability of activities in the infrastructure sector. It will be important to ensure that there are enough qualified East Timorese managers, engineers and technicians. This will require considerable education and training of East Timorese, over many years.

Access to Basic Social Services

One of the key areas of global concern in the past decade has been to put people at the center of sustainable development and to recognize their entitlement to lead healthy and productive lives. This chapter examines to what extent the people of East Timor are able to access their rights to health, education and water and sanitation.

In the violence of September 1999, some 77% of health facilities were damaged, senior staff at all levels were lost and virtually all consumables and equipment were looted or destroyed, causing a total breakdown of the health system. Under the humanitarian programme, NGOs quickly assumed responsibilities for health service delivery.

There is very little reliable health data available, which poses problems for health planning. Data from pre-1999 is regarded as having limited validity and as not necessarily reflecting the actual situation. However, it is clear that maternal mortality rates are among the highest in the world, and that infant and child mortality rates give rise to concern. East Timor also has very high incidences of tuberculosis, malaria, and upper and lower respiratory tract infections. Malaria is endemic in all districts with high morbidity and mortality in children.

The sector-wide Health Rehabilitation and Development Program, developed for 2000-2002, with the support of the World Bank, UN Agencies, donors, INGOs and other stakeholders, has two main components: *restoring access to basic services* and *health policy and system development*. East Timor is now in a position to pilot new initiatives, learn best practices from other countries, and better integrate cross-cutting issues such as gender, human rights and sustainability.

The education sector was also affected by the violence of September 1999 with as much as 95% of schools and other education institutions damaged or destroyed. In the exodus of non-Timorese, more than 20% of primary teachers, over 90% of secondary school teachers, and virtually all senior administrative staff fled with no intention of returning. One of the major problems in this area is the enormous lack of trained East Timorese. East Timorese tended to teach primary school, which was a male dominated profession, with only 36% female teachers in 1997. The key indicators in basic education demonstrate poor quality and low access to education, particularly beyond the primary level. However, enrolment rates of boys and girls in school were more or less equal, reflecting little gender discrimination in access to education. Poverty was the main constraint on enrolment in school, with children of female-headed households being the least likely to attend school.

However, there is a tremendous energy and enthusiasm towards building an East Timorese education system, and the post-crisis period has seen more children enrolled in school than ever before. A sector-wide framework has been developed focused mainly on the rehabilitation of educational infrastructure. A three-year phased approach has been launched to revitalize the school system by bringing schools first to a basic operational level. There were nearly 7,000 volunteer teachers up until June 2000. For the following school year this will be reduced to 3,000 teachers, on the public service payroll, in line with budget constraints. At the time of writing, there was the possibility that another 900 or so teachers would be employed. Women continue to be poorly represented in the teaching profession. Increasing access to education from disadvantaged groups such as rural farm families, children of female-headed families and vulnerable groups will need special attention.

In Indonesian times, less than half (48%) of all households had access to clean water and only 38% to sanitation. The water supply and sanitation systems were not spared from destruction during the post-ballot violence, and there was widespread looting, burning and damage to town and village water supplies and sanitation throughout the country. The Asian Development Bank has estimated the cost of a three-year programme of reconstruction and recovery for water supply systems and utilities to be about \$25 million, and \$8 million for drainage and sanitation. Many NGOs are active in this sector and by May 2000, piped water systems had been reestablished to a basic level in all 13 district centers.

In the urgency to provide services, many reconstruction efforts have been launched with little consideration to issues of sustainability, or consultation with local people. This underlines the importance of using a demand driven approach, involving communities in all aspects of a project and ensuring community ownership. Long-term change in knowledge, attitudes and practices relating to water use, hygiene and sanitation has proven to be important for improving community health. The rehabilitation and development of the water and sanitation sector faces similar constraints as are seen in other sectors, i.e. shortage of trained personnel; shortage of funding for procurement of equipment and materials, and the slow pace of procurement, due to UN rules/procedures governing procurement for the East Timor Transitional Administration.

Alongside access to basic services, there is also a need to consider general social services and safety nets for sections of the population who may be more vulnerable. This would include children in especially difficult circumstances, such as orphans and street children. The violence, rape, forced removal, and intimidation of the post-ballot period have undoubtedly left unseen scars on the mental health

of many East Timorese. During the Indonesian occupation, many East Timorese women experienced rape and sexual assault. Women were terrorized once again by the militia and Indonesian troops in the post-ballot crisis. Participants of the First Congress of Women of Timor Loro Sae referred to a culture of violence and intolerance that has become deeply imbedded and resorted to in day-to-day interactions. Women survivors of violence are often isolated, blamed and shunned by other community members.

Sustainable Livelihoods and the Environment

An understanding of the livelihood systems of rural and urban households is critical for identifying means by which external actors, such as government, NGOs, donors, UN Agencies and others, can build on existing strengths and capacities of the people of East Timor and so provide appropriate strategies to reduce poverty.

Although affected by the events of September 1999 and by the changes brought about by the vote for independence, the rural sector (as the least modern sector of the economy) has not seen the same amount of changes found elsewhere in East Timor. Put simply, the rural poor continue to eke out a living in much the same manner as before, albeit in a radically changed political and economic environment. In common with many poor households globally, the strategy for poor rural households in East Timor has been to develop multifaceted livelihood systems that enable households to reduce their vulnerability, rather than the more risky strategy of trying to maximize incomes.

Although the whole rural livelihood system is characterized by poverty, it is important to be able to distinguish who exactly are the poorest of the poor. The poorest families are more likely to have a large number of family members, less likely to own livestock, and less likely to be involved in the production of crops such as rice or coffee. The poorest farmers also tend to have degraded land, which is steep and subject to erosion.

Given the subsistence nature of agriculture prior to the crisis, rural incomes before the crisis were low, as demonstrated by the low per capita GDP. The loss of productive assets, combined with the breakdown of the transportation and marketing systems and increased prices of fuel has meant that many rural households now have extremely low cash incomes. Most rural livelihood systems are based on a mixture of cash crops, food crops, livestock and forest products/fishing depending on the area. As a result, the fall in coffee prices and the breakdown of the marketing system affects all rural households.

Some of the consequences of having a largely rural population that is subsistence-oriented include:

- Limited income to meet cash demands
- Labour demands of agriculture contributing to school drop-outs
- Migration to Dili
- Difficulty achieving food security
- Limited engine for economic growth, providing no revenue for government

The rural livelihood systems in East Timor have enabled rural households to withstand many shocks and crisis, and so ensure the basic survival of the members. However, the impact of the destruction and devastation of 1999 severely weakened these livelihood systems. It must be remembered that these livelihood strategies only ensure day-to-day survival: they do not foster prosperity or build sustainable development. Lessons from other developing countries demonstrate that to ensure local ownership, external support should build on existing community strengths, address community identified needs and priorities, and be targeted towards reducing vulnerability of rural livelihood systems.

There is a strong need for participatory, gender-balanced analysis of livelihood systems in rural communities. To date, most fieldwork done in the post-conflict period has tended to be sector specific and focused on consultations with groups at the district level, who may represent the most educated and elite of rural people. There is no substitute for village-based, participatory fieldwork. A broader forward-looking policy dialogue on the role of government in agriculture could be useful, given the prevailing subsistence level of agriculture, the importance of food security, and the underdevelopment of the private sector.

The livelihood systems of urban households differ substantially from rural ones. Only about one tenth of the population lives in urban areas, mainly in Dili. However, it can be assumed that the population of Dili has increased dramatically, due to in-migration from rural areas in the aftermath of the events of September 1999.

Under the Indonesian regime, the public sector provided jobs for many urban people. The private sector was relatively underdeveloped and many large and medium sized private sector establishments were run and owned by non-Timorese. Micro-entrepreneurs, such as market vendors, kiosk owners, and petty traders, tended to be East Timorese. The breakdown of the Indonesian public service and the exodus of the non-Timorese business, manufacturing and construction community, combined with the widespread destruction of housing, forced expatriation, and loss of personal assets had a devastating impact on the urban population, particularly in Dili. Jobs were lost, assets were devastated, financial services collapsed.

A further source of difficulty and frustration for the urban population in the post-crisis period has been the fact that many jobs in the public sector and international donor community require English and/or Portuguese. Young people's English and Portuguese skills are limited as they have received schooling in Bahasa Indonesia. It is becoming increasingly difficult for Tetum and Bahasa speakers to get jobs.

In order to deal with loss of employment, devastation of personal assets, and the collapsed economy, many poor urban households have adapted coping strategies to make ends meet. Former civil servants, now without jobs, are growing food in home gardens and becoming market vendors. In some cases, children have taken to the informal economy, such as selling newspapers and washing cars. Begging by elderly and children is starting to appear. The rehabilitation of the micro-credit schemes and small enterprise development initiatives, as well as vocational training programmes being launched, will provide important opportunities to strengthen urban livelihoods.

There has been little attention given to environmental issues in the post-crisis period, as energies and funding have been focused on emergency and rehabilitation needs. Continued focus on short-term measures will, however, prove to be both unsustainable and ineffective, as the extent of environmental damage is an important structural cause of poverty, having numerous consequences on a range of issues, from the maintenance of roads, to health problems, increasing women's workloads, to limiting future income-earning options at the local and national levels.

Deforestation is becoming particularly acute as, desperate for a source of income, many rural households sell bundles of fuelwood. Left unchecked, this will further increase the workload of women and children, forced to travel further to obtain fuelwood, accelerate rates of erosion, and reduce the supply of water. Forest fires are also a problem, caused by clearing land for farming and housing, drying out timber for fuel, hunting, drought, accidental fires and arson. Reconstruction needs have also increased the pressure on forests.

One of the most pressing needs is to better understand the rural and urban livelihood systems, including natural resource management systems. Once such an understanding is established, appropriate support can be provided at all levels.

Governance

In the context of East Timor, governance entails the building of a new nation, with all the myriad obligations and responsibilities that implies. The CCA concentrates on four of the most critical areas for governance in East Timor: institution building; capacity-building; human rights; and civil society.

Neither under the colonial rule of Portugal, nor under incorporation into the Indonesian state, did East Timor build any indigenous capacity in administration, planning or management. In addition, not once but twice within 30 years East Timor has experienced the phenomenon whereby a foreign regime, which dominated all decision making, has departed from the country in a rapid and unplanned manner, leaving a vacuum in terms of institutions and skills.

Under Indonesian rule, although 75% of the civil service was East Timorese, the East Timorese were concentrated at the lower levels (93% at the lowest grade) and non-East Timorese dominated the highest grades and management positions (the highest, grade 4, was 58% Indonesian and only 2 out of 13 District Administrators were East Timorese). In terms of gender, women represented 25% of the entire public service. However, as many female public servants would have been teachers or health workers, it can be assumed that the actual percentage of women in the core civil service would have been significantly lower than 25% and limited to the lower echelons.

The events of September 1999 saw the near total destruction of all systems of government and administration. There was a complete vacuum of administrative authority, policing and justice. The priorities therefore in the last months of 1999 were to respond to the humanitarian crisis and put in place basic elements of the administrative structure in consultation with East Timorese. Restoring the judicial system is an enormous challenge as the entire system had collapsed. Only approximately 70 of the 100 lawyers who had completed their legal training in Indonesia now remain in East Timor and many of these lawyers have never practiced. Effective legal protection and administration of justice is also required to create an environment conducive to the repatriation of those refugees still outside the country.

What is required now is nothing less than determining the role, structure, dynamics, and future of the new state, including the configuration of basic pillars of governance and separation of powers. East Timor needs to create an effective management and technical capacity in government able to sustain social and economic development beyond independence. The current gender breakdown of the East Timorese staff in ETTA and the Civil Service and Public Employment is 16.6% female and 83.4% male³ It has been announced that there will be a target of 30% women for the public service, though no specific strategies have yet been developed to achieve that target. Strategies to address the issue of low participation rates of women need to be identified.

UNTAET had as one of its first tasks the establishment of the basic foundations of the government administration. A process of participatory institutional development is necessary, not a turnkey approach. It is imperative to foster national ownership over the nature, direction, and management of the transition process. Without this, there can be no sustainability. With this in mind, the structure of UNTAET has been changed to ensure the direct participation of East Timorese, particularly at the senior level, and a cabinet style administration has been put in place, with equal representation of East Timorese among the nine cabinet members.

Decentralisation is another important mechanism to ensure East Timorese participation in the transition to independence. The previous regime in East Timor was highly centralized, with the Governor reporting directly to central government,

³ As of July 2000 (ETTA Gender Affairs Unit)

and not accountable to the people. The current structure of local level administration in East Timor under the transitional administration essentially replicates that of the Indonesian system. Decentralising government from the central level to regions, districts, towns, and villages, enables people to participate more directly in the governance processes. It can help empower people previously excluded from decision-making and can ensure that central government reflects the priorities and needs of the people in its planning processes. Local level structures also facilitate the participation of women in political life, as there are often obstacles for women in their access to central government structures.

After long periods of systematic underdevelopment of human resources, it is not surprising that East Timor faces the problem of a lack of skilled and experienced people to build the new nation, both in the public and private sector. The need for training and capacity building of East Timorese is key, and is particularly critical for the public service, if there is to be a successful transition to independence. Although this is an activity which has deservedly received attention from all concerned and activities have commenced, there has been a recognised lack of coordination in this sector and a tendency to confine capacity-building activities to straightforward training activities. An added complication in capacity building is the language question. The East Timorese leadership has expressed its wish to adopt Portuguese as the official language following independence with Tetum as the national language; the majority of the population under the age of 40 speak Bahasa Indonesia; and the official language of the UN mission, and most development agencies involved in capacity-building, is English. Tetum serves as a lingua franca for most East Timorese, but there are in fact well over 20 languages/dialects in East Timor. It has been noted that a relatively large amount of training is focussed on improving English and Portuguese language skills, as opposed to technical and administrative skills.

Much of the ongoing capacity-building activities are focussed on immediate skill upgrading and basic training. However, any comprehensive capacity building programme must focus not only on the immediate needs, but also build up a long-term capacity of East Timor to produce its own trained and skilled personnel. In this respect, tertiary education deserves special attention, particularly given the dearth of senior level professional and management personnel in East Timor. Third level students previously pursued their studies either in Dili or Indonesia. The buildings of the University of East Timor were damaged and destroyed during the events of September 1999. In addition, during the period surrounding the popular consultations, many of the students studying in Indonesia returned home to East Timor. Donor funding has been made available for scholarships for students to return to Indonesia to complete their studies and the University of East Timor is due to reopen in October 2000.

Tertiary education is of course not limited to academic education. There is also a need for technical and vocational training, both at the level of secondary school education and post-secondary. The vast amount of reconstruction activities currently being undertaken provide ample on-the-job training opportunities for young people. Vocational training also provides an excellent opportunity for youth, particularly those outside the formal school system to contribute to the rebuilding and to gain skills for the future. This is an important area also for gender considerations, as girls and women are often excluded from technical training.

Human Rights

The human rights abuse that took place in East Timor during the Indonesian annexation is well documented, including reports from the period from 1975 to 1989 when the country was effectively closed to the outside world. It is estimated that as many as 200,000 people may have died as a result of the annexation by Indone-

sia, and subsequent conflict. The period leading up to the popular consultation of September 1999 and immediately after saw again an intensification of gross violations of human rights, with an estimated 1,500 deaths. Women and girls were subjected to rape and sexual assault.

A memorandum of understanding has been concluded between Indonesia and UNTAET on cooperation in legal, judicial and human rights matters. Although certain steps have been taken by Indonesia to identify and prosecute those responsible for human rights violations in East Timor in 1999, many observers have judged that much more could be done, particularly in identifying senior level people responsible. In the event of the actions of Indonesia not being sufficient to bring those responsible to justice, the establishment of an International Tribunal is a possibility. In East Timor, a special panel on serious crimes has been established under the District Court of Dili, which will have exclusive jurisdiction in East Timor over serious crimes, which are defined as genocide, war crimes, and crimes against humanity, murder, sexual offences and torture, committed in the period between 1 January and 25 October 1999. UNTAET has established an investigation and human rights monitoring unit to examine the 1999 human rights violence, to monitor ongoing violations, and to develop strategies to prevent future abuses.

The issue of human rights does not, of course, just apply to past crimes. There is a need to ensure that protection for human rights is built into the foundations of the new East Timor. Within East Timor itself, there is some concern over the position of minorities, such as ethnic Chinese and Muslims, and also the promotion of an open political dialogue. The strength, depth and breadth of the civil resistance movement is a tremendous base upon which the country can draw in developing a culture of human rights.

Civil Society

East Timor has a very weak tradition of formal democracy given its long history of colonialism, occupation and large military presence. Civil society was largely organized around the resistance movement. The Church in East Timor was, and remains, a crucial entity in civil society, having fought against the oppression imposed by Indonesian military authorities. The very few national NGOs that existed tended to be service delivery, rather than advocacy orientated.

There are currently over 170 local and national NGOs informally registered in East Timor. It is to be expected that among these are a certain number that will not be sustainable in the long run. Only those which are strongly rooted in a community or interest group will develop and grow.

Given the need to carry out development initiatives quickly, it has been easy to justify making short cuts in community participation. In the longer term, resources will be wasted unless issues of community participation are promoted. The development of a vibrant civil society in East Timor will take time. It will be essential that people in rural areas have clear and transparent means to influence change both at the local level and in Dili. Training of NGOs and development of their links to their constituencies will be needed for some time to come.

Introduction

Developing the Common Country Assessment in East Timor

The United Nations humanitarian and development agencies, funds and programmes have been active in East Timor since late 1999. UNICEF, UNDP, UNV, WHO, ILO, UNFPA, WFP, UNHCR, FAO, UNOPS and IOM maintain a presence in East Timor. The UN Agencies are part of the broader UN family in East Timor and operate under the overall authority of the Special Representative of the Secretary-General. Coordination of agency programmes and activities is provided through the UN Development Coordinator System.

Purpose of the CCA

The preparation of the Common Country Assessment (CCA) forms part of the United Nations reform process aimed at bringing greater coherence to the activities of UN Agencies at the country level and responds to the requirements of General Assembly Resolutions 47/199, 50/120 and 50/227.

The objective of the CCA is to achieve a deeper knowledge of the key development challenges among the CCA partners, who include the Government and representatives of civil society, based on a common analysis and understanding of the development situation. The CCA addresses the national priorities and needs, and also the status of follow-up to UN conferences and implementation of UN conventions and declarations.

All United Nations organizations participate in the CCA process. The management of the preparation phase is a core responsibility of the United Nations Country Team, under the leadership of the Resident Coordinator. The CCA process is expected to involve the Government, civil society, donor community and Bretton Woods Institutions.

The CCA Process in East Timor

In undertaking a Common Country Assessment in East Timor, the main objective of the UN Agencies was to make a contribution to the shaping of the development framework of East Timor, the newest country of the 21st century, in the context of the transition to self-government and to the formulation of the long-term development strategy for East Timor.

It was recognized that in the context of the East Timor situation, there were special considerations that would have an impact on the scope and objective of the CCA. Firstly, the quality and quantity of available data. While this is an issue for many other countries, it is particularly acute for East Timor. Given the circumstances of Indonesian rule over East Timor, there are serious questions about the reliability of data (even basic population figures), and much data is not considered reliable. In addition, even the data, which might be considered reliable, no longer applies to the current situation, given the change of government, the recent population movements, and the almost total destruction of the infrastructure, both physical and economic.

Secondly, East Timor is in the process of transition towards self-government. This is a unique situation in which to carry out a CCA. Currently, UNTAET assumes the responsibilities for the administration of East Timor and is empowered to exercise all legislative and executive authority. Even though major steps have been taken

“The broader and more active the participation in the CCA process, the more the process improves the potential for success in creating alliances around the issues and thereby ensuring follow-up.”

CCA Guidelines

by UNTAET to increase East Timorese participation in the management of the transitional period, through the establishment of the East Timor Transitional Administration (ETTA), neither UNTAET nor ETTA are in a position to pre-empt the future democratically elected government's policy development.

Therefore, the CCA has been carried out in a context where national priorities and policies have not yet been set. However, rather than seeing this as a disadvantage, the UN Agencies have viewed this as a window of opportunity. East Timor has the advantage of being able to establish itself with full reference to global standards (as expressed through the various conventions and conferences detailed in the document) and also to learn lessons from the experience of other developing countries.

The scope of the CCA was necessarily limited by the time available. Rather than launching a lengthy and exhaustive process, the UN agencies believed, that in the current situation, it was more useful to have a process and document that could serve as an immediate input into the ongoing development dialogue. Therefore, this CCA exercise is not expected to be a comprehensive product, but rather an essential first step in an ongoing process.

It should be noted that, in the context of a transition from relief to development, the CCA draws strongly from, and develops on, the existing data and analysis contained in the Joint Assessment Mission report of November 1999¹.

The Process

The CCA process was launched in May 2000 by the UN Agencies through the UN Development Coordinator System. Terms of reference were established and endorsed by UNTAET, who was a key partner in the development of the CCA. The East Timorese leadership was also invited to participate in the process.

Below is a summary of some of the main steps undertaken during the preparation of the CCA:

- A half-day retreat was held in early June to clarify what the CCA was, develop an action plan, and agree upon working groups to be established.
- The National Consultative Council was briefed about the CCA in late June through a presentation.
- Four working groups met throughout June, July and August. These groups were: Access to Basic Services; Sustainable Livelihoods; Governance; Human Rights and Nation Building; Rehabilitation and Recovery. There were over 25 meetings in all, including special meetings on themes such as gender and poverty.
- Over 100 people participated in the meetings. Participants came from ETTA, CNRT, UN Agencies, World Bank, bilateral donors, National NGOs, International NGOs, student groups, and women's groups. Interested non-resident UN Agencies and donors were given minutes and draft documents via e-mail.
- A CCA facilitator was assigned to co-ordinate the process, facilitate working group meetings, conduct research, liaise with stakeholders, and pull information together into a draft. A translator provided translation services for working group meetings.
- Research methodologies included: data collection, review of reports, interviews of key informants, visits to four districts.
- Interactive, analytical exercises were undertaken with working group participants including: problem tree analyses, analysis of how problems affect women and men differently, analysis of determinants of poverty.
- Information regarding the CCA process was circulated through minutes of meetings, regular updates and announcements to UN and NGO meetings, and through a CCA bulletin board in the lobby of UN Agency House.

"At the end of 1999, East Timor was a strange land. There was no government, no official language or currency, no system of law, no media, and no shops or schools. Not only was the country physically plundered and raped, but also no former structure existed which could be used as a base for rebuilding."

Timor Aid, 2000

Format of the Document

The CCA puts people at the center of development. There is a clear focus on poverty and vulnerability, and an attempt to understand how policy decisions will affect the poorest. The issue of gender² is mainstreamed throughout the document, and for each sector information is provided on how issues affect both women and men. Wherever possible, disaggregated data is provided.

Certain themes run through the document. The analysis is rooted in the standards that have been endorsed by global conferences and conventions, particularly in the last decade. These standards have again been reiterated by the member states of the United Nations in the Millennium Declaration of September 2000. Therefore, the CCA process and document have attempted to take a rights-based approach to development issues. For a country such as East Timor, which has struggled for so long to attain the basic right to self-determination. Such an approach is very much in line with the current concerns of many East Timorese people.

In the aftermath of a humanitarian crisis, there can be a tendency to start analysis from zero, particularly in a country such as East Timor where the physical destruction was so immense. However, it is important to take into account the previous social and economic structures, as this will continue to have an impact on the current situation. Therefore, the CCA document looks at the situation in East Timor from the perspective of what existed before, the impact of the crisis, and then the current situation. From this viewpoint, it can clearly be seen that many of the challenges East Timor faces are not new, but firmly rooted in the past, particularly with regard to issues around poverty and rural livelihoods.

The CCA is based on a respect for East Timorese values and culture. Through the participation of East Timorese organizations and groups in the CCA process, attempts have been made to ensure this document will, above all, assist the East Timorese in their building of a new nation.

"A rights-based approach introduces the notions of entitlements of the citizens which should guide the relations between individuals and the state" *JAM Report*

² The ETTA Gender Unit has provided assistance in ensuring this perspective

Overview of Political History



The various stages of East Timor's history have created three tremendous challenges: the challenge of development, of rehabilitation and of nation building. This chapter gives a brief overview of the political history of East Timor and examines the current political challenges facing the county.

Traditional East Timorese Society

By understanding the traditional structures in East Timor, development assistance programmes can be more appropriate and grounded. Maintaining a historical perspective helps understand how, despite years of foreign domination, traditional systems have remained quite intact in rural East Timor.

"Our people are essentially rooted to their culture and traditions; they have their own concepts of life, of existence and live to realize them."

Xanana Gusmao: "To Resist Is to Win"

Prior to the arrival of the Portuguese, East Timor was organised into autonomous kingdoms called *rai*, in the West and East. Small-scale chieftainships with leaders called *liurai* ("kings") ruled an area with several princedoms (*sucos*), each of which had various towns or *knua*. Different clans, some of which were patrilineal and others matrilineal formed each *knua*. Families were represented through clan leaders.¹ Land was controlled and allocated by the *liurai*, assisted by sub-leaders, usually in exchange for compensation of some kind. A council comprised of local leaders held legal authority². Under the pre-Portuguese period, stratification consisted of *Liurais* and their families forming the upper class, *emairai* forming a second social class, and *ata* or slaves³.

Being a mountainous area, most farmers lived in scattered, isolated hamlets, deriving a living from subsistence agriculture.⁴ There were only a few coastal fishermen. Economic organization was based on the extended family responsible for house gardens, fields and irrigated paddy fields. Tribal leaders managed the exchange of goods for marriage of men and women. Hierarchies formed according to status of production and exchange. Other forms of status were associated with size and type of land cultivated, knowledge of tradition, possession of sacred objects, accumulated wealth and age.⁵

Animism was strong, as described by James Dunn in Timor: A People Betrayed:

Social and religious life in the Timorese village continued to be strongly influenced by traditional animistic beliefs, which were of a similar pattern throughout the territory... In their traditional lifestyle the Timorese are surrounded by *luliks*, or sacred objects, which are symbols of good, evil or the unknown. Certain trees, crocodiles, snakes, eels and so on have magic powers attributed to them that are interpreted by the *nai* or *dato lulik*, a kind of village sorcerer or priest⁶.

¹ Social and Economic Conditions in East Timor, J. Pedersen and M. Arneberg (eds), November 1999

² "Housing, Property and Land Rights in East Timor", UN Centre for Human Settlements (HABITAT), May 2000

³ Gerakan Pembebasan Nasional Timor Lorosae, by Helen Mary Hill, Yayasan Hak and Sahen Institute for Liberation, Dili, 2000, pg. 2

⁴ from the website www.easttimor.com/history

⁵ East Timor: The Price of Freedom, John Taylor, Pluto Press, Australia, 1999, pg 5-7

⁶ Timor: A People Betrayed, James Dunn, ABC Books, Sydney, 1996, page 5

There are 12 ethnic groups in East Timor, each of which has its own languages and dialects. Nine of these are Austronesian language groups, including Tetum, and three are from the Papuan language groups. Tetum became the lingua franca during the Portuguese period and spoken by 60% of the population.

Ethnic groups and languages

A Turbulent History

The Colonial Period

The Portuguese navigators first visited Timor in 1511. In almost 500 years of history, the country has only been self-ruled for mere months. However, throughout its history, the people of East Timor have maintained a consistent resistance, or *funu*, in the Tetum language⁷. The Dutch and Portuguese fought over the island's strategic and natural resources, particularly sandalwood. Coffee plantations were established, though most people lived outside of the monetised economy even to the 1970s.

The colonisers used the existing traditional structure of *rais*, *sucos*, and village units to impose indirect rule. During the Portuguese period, the amount of land under customary control was significantly reduced and brought under colonial title, thus eroding the influence of the customary land allocation systems and reducing the political influence of the *liurai*. The Portuguese encouraged the establishment of large-scale coffee plantations, some covering several thousand hectares. Near the turn of the century, after problems with leaf rust, every family was instructed to plant 600 coffee bushes, mainly in higher altitudes.

Missionaries, sandalwood, and coffee

The missionaries of the 19th century found a profoundly traditional and animist culture. Despite decades of missionary work, according to some reports, in 1975, about three-quarters of the population were animists to some degree⁸. Christianity and animist practices tended to co-exist.

Despite the relative isolation of East Timor, it was not spared from the Second World War. Some 60,000 people died in World War Two from successive interventions by the Australians and Dutch and the subsequent large-scale invasion by the Japanese.

In the 1960s and early 1970s the Portuguese began a programme of constructing more schools and health services. However, the majority of schools were for Portuguese, *Mestizo* and assimilated children. A selected few went to study in Portugal. By 1975, there were an estimated two Timorese doctors, one dentist, two psychologists, two political science graduates and one agriculturalist.⁹

After the coup in Lisbon in April 1974, the Portuguese governor called for the establishment of political parties to encourage decolonisation. The UDT (*União Democrática Timorese*) and the ASDT (*Associação Social Democrática Timorese*) emerged as the two main political parties, with ASDT evolving into Fretilin later that year.¹⁰ Fretilin was a broad-based front, which at that stage advocated an anti-colonial, Marxist-based, nationalist ideology, whereas UDT membership tended to be drawn from the mestizo elite and *liurai* families. A UDT-Fretilin coalition fell apart, followed by a UDT led coup in August 1975. The fighting that ensued is estimated to have left between 1,500 and 3,000 dead.¹¹ The Portuguese fled to Atauro Island. Meanwhile, the Indonesian government and military had been waging a campaign to destabilise through anti-communism messages and political infiltration on the border. On November 28, Fretilin declared East Timor independent. Nine days later, the Indonesian military invaded.

Brief freedom

⁷ for more information see Geoffrey Gunn, "The 500 Year Timorese *Funu*" Bulletin of Concerned Asian Scholars, Vol. 32, Nos. 1 and 2 (2000), pg 5-10

⁸ Timor: A People Betrayed, James Dunn, ABC Books, Sydney, 1996

⁹ Gerakan Pembebasan Nasional Timor Lorosae, by Helen Mary Hill, Yayasan Hak and Sahen Institute for Liberation, Dili, 2000.

¹⁰ "A Long Journey of Resistance: The Origins and Struggle of the CNRT", by Sarah Niner, Bulletin of Concerned Asian Scholars, Vol. 32, Nos. 1 and 2 (2000), pg. 11

¹¹ Ibid, pg. 12

The Indonesian Annexation

The first President of the provisional government, Mr. Lopes da Cruz, claimed that over 60,000 had been killed in the month following the invasion. Within the first six months, concentration camps were established and had reached 150 in number by 1980. The air force used napalm to destroy crops and livestock and wipe out the population. Whole villages and towns were destroyed, while tens of thousand died of starvation and malnutrition.¹² On July 17, 1976 President Soeharto signed the Bill of Integration, formally incorporating East Timor into Indonesia as its 27th province.

Resolve of the resistance movement

“The strength of the guerrillas evolved directly from the community’s total and reciprocal commitment to their shared cause.... People were united in one singular cause.”

East Timor- Too Little, Too Late

The United Nations never recognised the integration of East Timor into Indonesia, and both the Security Council and the General Assembly called for Indonesia’s withdrawal. Details of the occupation were under-reported as East Timor was closed to the world for 13 years. Meanwhile, Fretilin fought relentlessly in the mountains. East Timorese families provided food, shelter, hiding places, transported arms, and other support to the guerrilla movement for decades. Structures were created in each town and village to mobilise the resistance movement. Virtually every family had been affected by the horrors of the occupation. Many women were raped, widowed and children orphaned. Estimates suggest that 200,000 people died as a result of the Indonesian occupation, or about 30-40% of the 1975 population. A fuller description of the human rights abuse is discussed in Chapter 8.

The East Timorese resistance movement had three fronts: the clandestine front (freedom fighters, students and youth movements); the diplomatic, exiled community and solidarity front, spearheaded by Mr. Jose Ramos Horta; and the army under the leadership of Xanana Gusmão. The Church was involved in the diplomatic and clandestine fronts.

In 1989, the Indonesian government opened the door slightly and Soeharto announced “development” for East Timor. Given the low level of economic development during the Portuguese period, economic growth rates were relatively high in East Timor, but the benefits were skewed¹³. Roads, clinics, schools were constructed, but these were oriented to serving the military forces. Improving the roads also increased the military access to resistance areas.

The general Indonesian policy of dual military and administrative function meant that the military dominated all levels of society, ran state affairs, determined type of development schemes, and controlled economic development. All villages had non-commissioned, mainly East Timorese officers called *Babinsa*. They served as the eyes and ears of the Indonesian army, though in reality many sympathized with the resistance movement.¹⁴

Commercial development in East Timor was also oriented towards monopolies and business owned by the military and government elite. Any legal recognition that existed for customary law was removed. Communal land was declared state land and ownership transferred to powerful businesses. Land acquisition procedures were widely known to have been highly corrupt and unjust, with arbitrary and forced land confiscation.

Two separate classes of people began to emerge: the small elite of mainly Indonesian military and civilians, and the commercial and business class; and the majority of East Timorese population in urban and rural areas who were treated as

¹² *East Timor Too Little- Too Late*, by Lansell Taudevin, Duffy and Snellgrove, Sydney, 1999

¹³ “East Timor: Development Policy Challenges for the World’s Newest Nation”, by Hal Hill, Australian National University, Canberra, August 2000

¹⁴ “A Long Journey of Resistance: The Origins and Struggle of the CNRT”, by Sarah Niner, *Bulletin of Concerned Asian Scholars*, Vol. 32, Nos. 1 and 2 (2000), pg. 11

Indonesian style development

Two classes of people

second class citizens. Under the policy of “transmigration”, migrants from other parts of Indonesia settled under-populated parts of Indonesia, including East Timor. The Indonesian migrants were given the best land while the local population was forced onto poorer land without being given any title. The migrants introduced more intensive rice production. Only a small percentage of East Timorese occupied public service positions.

The colonial period and Indonesian occupation left the country with three overwhelming legacies:

- the multi-faceted and complex challenge of **development**
- a terrible legacy of **human rights abuse**, psychological scars and grief to countless families
- an overwhelming challenge of **capacity building** due to the exclusionary and discriminatory nature of recruitment to senior level positions in government and often corrupt nature of private sector development

The Popular Consultation

After decades of struggle, the people of East Timor were asked to determine the future status of their territory: to become an autonomous region within Indonesia or an independent country. To carry out this vote, termed the popular consultation, the UN Security Council established the United Nations Mission in East Timor (UNAMET) on 11 June 1999. UNAMET registered 451,792 potential voters among the population of over 800,000 East Timorese in-country and abroad. During this process, pro-integration militias intimidated the population and committed human rights abuses. Some of these militia groups date from the 1970s, having been recruited and armed by the Indonesians to fight Falintil as part of community mobilization. Despite the high level of tension created by this intimidation, some 98% of registered voters went to the polls on 30 August 1999, deciding by a vote of 78.5%¹⁵ to reject the proposed autonomy and to begin the process of transition towards independence.

After the announcement of the results on September 4, pro-integration militia groups and elements of the military launched a systemic campaign of violence, looting and arson throughout the entire territory. About 70% of all private residences, public buildings, and essential utilities were destroyed or severely damaged. All public services collapsed. More than 75% of the entire population was displaced. The deliberate and systematic plan of forced deportation and displacement resulted in 200,000 being sent to West Timor and other parts of Indonesia. The Indonesian authorities did not respond effectively to the violence, and eventually the UN Security Council authorized a multinational force (INTERFET) under a unified command structure of a member state, Australia, to restore peace and security in East Timor. A large-scale humanitarian operation was also launched by the UN including airdrops of food, aid convoys, and the provision of shelter and basic services.

Post-referendum crisis

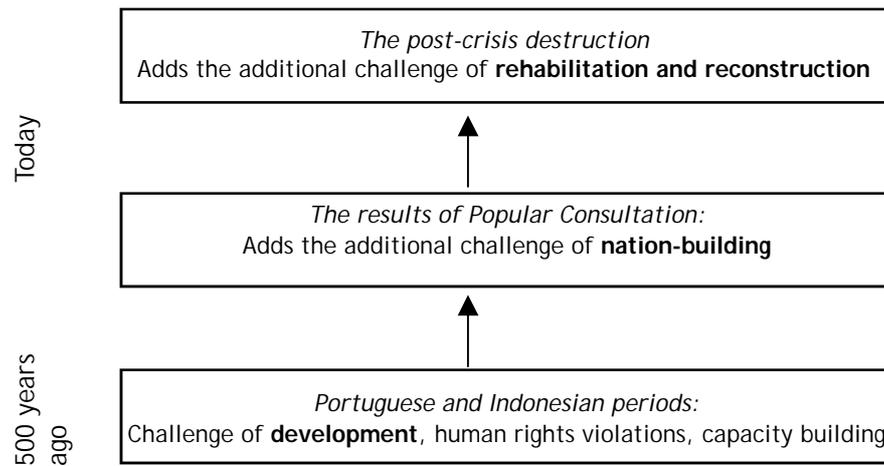
On 19 October 1999, the Indonesian People’s Consultative Assembly formally recognized the results of the consultation. Shortly thereafter, on 25 October, the UN Security Council by resolution 1272 (1999) established the United Nations Transitional Administration in East Timor (UNTAET) as an integrated,

¹⁵ Some 344,580 voters voted for independence and 94,388 (21.5%) voted for autonomy within Indonesia.

multidimensional peacekeeping operation fully responsible for the administration of East Timor during its transition to independence. UNTAET's mandate consists of the following elements: to provide security and maintain law and order throughout the territory of East Timor; to establish an effective administration; to assist in the development of civil and social services; to ensure the coordination and delivery of humanitarian assistance, rehabilitation and development assistance; to support capacity-building for self-government; to assist in the establishment of conditions for sustainable development.

Current Political Challenges

The country can be seen as facing the cumulative and overlapping challenges as illustrated in the diagram below:



Political and security challenges

Additionally, East Timor faces the political challenges of maintaining security, particularly on its Western border. On-going border incidents and clashes with militia groups and the intimidation of refugees still in West Timor will be a priority concern of the new nation. Currently the heavy presence of an international Peace Keeping Force and Civilian Police have helped maintain order. Measures have been put in place to ensure security and law and order once the mission is over. A national police force is being established. Following an independent study¹⁶ on the various options open to East Timor with regard to a national defence force, the National Consultative Council endorsed a decision that Falantil should form the core of the new national defence.

There are numerous challenges to building national unity including, peace and reconciliation; the prosecution of those who committed serious crimes in 1999; the need to address the abuses that occurred during the Indonesian period; the treatment of linguistic and ethnic minorities. These issues are discussed in more depth in Chapter 5.

The future of the enclave of Oecussi will impact national unity. Issues of security, service delivery, transportation between Oecussi and the rest of East Timor, building a common identity with the rest of the country, will pose considerable and costly challenges.

¹⁶ "Independent Study on Security Force Options and Security Sector Reform for East Timor Centre for Defence Studies" King's College, London August 2000

The building of national unity will also depend in part upon good communication between the leadership and the people, and between different regions. The CNRT leadership has suggested that the national language of an independent East Timor will be Tetum, with Portuguese as the official language. Portuguese is spoken mainly by the older generation and former exiled community, but is not widely understood by the majority of the rural population, nor youth. Having a linguistic policy that marginalises the majority of people could cause communication difficulties and become a financial burden on the state.

Linguistic unity

Major steps have been taken by UNTAET to increase East Timorese participation in the management of the transitional period. The former Governance and Public Administration “pillar”¹⁷ of UNTAET has now been transformed into the East Timor Transitional Administration (ETTA) under a Cabinet style management of five East Timorese Cabinet Members and four international Cabinet Members. This is expected to facilitate a more successful and smooth transfer of authority to a fully East Timorese public administration. However, given the transitional nature of ETTA, it is not in a position to pre-empt the future democratically elected government’s policy development. In the interim, with considerable investment in rehabilitation and development activities by numerous stakeholders, the lack of national policies can be problematic.

*Transitional nature
of the
administration*

¹⁷ The two other original “pillars” were the humanitarian pillar and the peace-keeping pillar.

Chapter 3

Macroeconomic Overview

This chapter provides a macroeconomic overview of East Timor. The economy is characterised by its dualistic nature and its overwhelming agricultural base. The economic framework has changed dramatically as East Timor can no longer rely on transfers from the central government of Indonesia. External financing now plays a major role in the economy, but this will be relatively short-term, and future development potential needs to be explored.

The Macroeconomic Setting

The economy of East Timor is characterised by three major factors:

- It is among the poorest countries in the world and recent data indicates that more than half the population could be living below the poverty line;
- It has inherited a distorted, highly segmented economy, with a “rural, low-income, Timorese-dominated economy in parallel to the urban, high-income Indonesian-dominated economy¹”;
- It is now highly dependent on external aid, particularly for the next three years.

The Economy Prior to the Crisis

East Timor was, and remains, primarily an agricultural economy, with 90% of the population living in rural areas and 75% of the labour force engaged in agriculture, primarily subsistence agriculture. GDP² per capita ranged between US\$374 to US\$424 in the period 1995-98³, making East Timor one of the poorest provinces during the Indonesian occupation. This level of GDP also ranks East Timor as one of the poorest countries in the world. The majority of trade was with, or through, other provinces of Indonesia. Agriculture, particularly coffee, accounted for a large part of exports.

Main characteristics

	East Timor ⁴	Comparable Countries ⁵	Comparable Groupings ⁶
GDP per capita	1999 est. US\$230 1998 US\$215	Chad: US\$230 Niger: US\$215 Guinea-Bissau: US\$173 Mozambique: US\$188 Laos: US\$421 India: US\$444	All least developed countries: US\$ 1,050 All Developing Countries: US\$3,260 South-East Asia and the Pacific: US\$3,150

¹ East Timor Joint Assessment Mission (JAM) Report, Nov 1999.

² The term GDP (Gross Domestic Product) is used here for clarity; at the time the figures would have referred to GRP (Gross Regional Product) as East Timor was a region of Indonesia

³ “East Timor: Establishing the Foundations of Sound Macroeconomic Management” IMF July 2000

⁴ Ibid

⁵ UNDP Human Development Report 2000 (refers to 1998 GDP figures)

⁶ Ibid

Under Indonesian rule, East Timor had a very low level of economic self-reliance. It was recorded as generating only 15% of the government expenditure of US\$116 million in 1997-98 in East Timor. This poor level of self-reliance can be explained in part by the narrow economic base, but also the systematic underdevelopment of East Timor under both Portuguese and Indonesian rule. East Timor relied heavily on central government transfers with some 85% of current and investment expenditures being covered by such transfers. Most imports, particularly rice and petroleum products, took place at subsidised prices.⁷

Low economic self-reliance

In line with the highly centralised fiscal management, nearly all revenue raised in East Timor went directly to the Indonesian central government. The development budget was determined by the central planning agency, according to national priorities. As the recent IMF report makes clear one of the results of this is that, at the level of East Timor, management and planning capacity was not developed, and any budget preparation that was undertaken did not have to be guided by macro-economic parameters.

Highly centralised

Real GDP grew an average of 10% from 1994 to 1996, led by growth in construction, public administration and other services - activities that benefited primarily the urban population. The East Timor Joint Assessment Report (JAM), published in November 1999, states that the "data strongly supports the picture of growth generated by government transfer into a modern sector focussed on a high-income urban population, with a parallel but distinct low growth rural economy." A dual economy existed, with the modern sector, including manufacturing and services, largely controlled by non-East Timorese. East Timorese were concentrated in the low-income rural economy and there was no significant East Timorese modern private sector economy.

Dual economy

"The economic system that had emerged from many years of Indonesian administration had failed to develop an indigenous managerial capacity; promoted a culture of dependence on the government as key provider of employment, direct transfers and subsidies; and built up an infrastructure which was very costly to maintain."
JAM report Nov 1999

Growth was heavily concentrated in the public sector, and related activities. Direct government expenditure accounted for 20% of GDP in 1997, the highest of any province of Indonesia and well over double the national average. As the two sectors in which government expenditure played a major role, construction and transport and communication, accounted for a further 28% of GDP, it can be estimated that nearly one-half of East Timor's GDP over this period was directly or indirectly the result of the government presence.⁸

East Timor was also affected by the Asian financial crisis of 1997, with GDP growth slowing and then declining in the period 1997-98. In the aftermath of the crisis, central Government cut its support to the provinces. This reduction in transfers from the centre resulted in a severe compression in capital expenditure in East Timor.⁹

Labour market

Labour market data for 1998¹⁰ set the labour force at some 367,600 people, 6% of whom were unemployed and 11%, which were underemployed (i.e. working less than 40 hours a week and looking for employment). In relation to recurrent expenditures, salaries and wages constituted about 75% of total expenditures, reflecting the fact the provincial administration in East Timor was heavily overstaffed.

<i>Labour Force 1998 by Sector</i>	<i>Percentage</i>
Agriculture	75%
Public Administration and Defence	13%
Other	12%
<i>Total</i>	<i>100%</i>

⁷ "East Timor: Establishing the Foundations of Sound Macroeconomic Management", IMF, August 2000

⁸ "East Timor: Development Policy Challenges for the World's Newest Nation", Hal Hill, Australian National University, August 2000 (who also points out that these expenditures reflected in part the extensive and oppressive military presence.)

⁹ "East Timor-Establishing the Foundations of Sound Macroeconomic Management", IMF, August 2000

¹⁰ BPS Economic Census 1998

Impact of the Crisis

Destruction and disruption

Real GDP is estimated to have declined by almost 40% in 1999 as a result of the crisis. Not only was infrastructure destroyed, there was also total disruption of trade and commerce, and a halt to the agricultural cycle as most farmers became displaced. Prices rose dramatically in the immediate aftermath of the crisis, an estimated 200% in some cases, and the impact of the removal of subsidies, particularly on rice and petrol, was felt at all levels. With the breakdown of the banking and payments system, all transactions shifted to a cash basis. All normal government functions stopped entirely. There was no collection of revenue. Commercial goods were imported freely with no tax. Government expenditures and provision of public services stopped, including the payment of salaries and pensions to public servants.¹¹

Humanitarian assistance

A possible humanitarian crisis was averted due to the generous donor response and prompt and effective delivery of immediate humanitarian assistance. As of June 2000, US\$135 million of humanitarian aid funds had been provided to East Timor, addressing primarily immediate needs in food aid, shelter and health. Farmers returning to the farms in October and November were provided with seeds, resulting in a better than anticipated harvest in 2000.

Current Situation

Start of economic recovery

The overall economy has started to improve, led by commerce, basic services and reconstruction of public and residential buildings. Much of the immediate visible improvement is due to factors associated with a large injection of external funds, rather than sustainable growth. The current strong upward pressure on prices, resulting from the growing expenditures by expatriates, as well as salaries paid by international agencies to local employees, is expected to decline in the medium term.

Enclave economy

One of the by-products of the large expatriate presence in East Timor, concentrated in Dili, has been the reinforcement of the dual economy that existed in Indonesian times. An enclave economy has come into existence, with a very weak trickle down to Timorese, especially in the rural areas. The international community has spent considerable funds on relief efforts and reconstruction, yet the direct flow to the local economy (which occupies 80 to 90 percent of the population) has been low. Direct expenditures by expatriates have largely been channelled to foreign firms operating hotels and restaurants. Much of this can be explained as a normal consequence of the immediate aftermath of the crisis and sudden injection of large amounts of external aid. There has also been much lower than anticipated disbursement rates for the two Trust Funds that were established to help East Timor get back on its feet. One of the trust funds is administered through the World Bank, while the other is managed by UNTAET (please see table on page 30). However, the disbursement rate is expected to improve significantly by the end of 2000.

One of the first steps towards reviving the monetary system was the establishment of legal tender. As the East Timorese wanted to make a symbolic break from the Indonesian rupiah, it was decided that the US dollar would be used during the transition period, due to its stable value, international use and convertibility. The use of other currencies (Australian dollar, Indonesian rupiah and Portuguese escudo) is still permitted in East Timor. Use of the US dollar is extremely limited outside Dili principally due to lack of low denomination notes and absence of

¹¹ "East Timor-Establishing the Foundations of Sound Macroeconomic Management" IMF August 2000

coins¹², thus making it unsuitable for the low-value rural transactions. In the short run, the introduction of the US\$ and distortions in cross exchange rates has been one factor contributing to a rise in prices.

New currency

Only two banks operate in East Timor, both based in Dili. One bank plans to operate a rural mobile bank for the districts. Their principal function is to provide a foreign exchange service. No regular loan or credit services are available, though one bank is now administering the loans made through the Trust Fund for East Timor's (TFET) Small Enterprise Project. There are no banking services or rural credit services currently operating outside of Dili. The TFET is expected to approve a micro-finance project by October 2000. This project would aim to re-establish 20 of the previous 24 rural credit unions, and a micro-finance bank with six branches that caters to 6,500 low-income households throughout the Territory.

Banking system

Although there are no official labour statistics, it is evident that the livelihoods of the majority of East Timorese have been severely disrupted. A figure in common usage claims an 80% unemployment rate in the formal sector. However, it is important to realise that unemployment figures bear little relevance in an economy where most people (75% of the labour force) make their living mainly from subsistence agriculture. These subsistence farmers continue to work albeit that they now receive significantly reduced incomes from their activities. A figure of 80% unemployment is most likely to refer to that urban segment of the labour force who were engaged in formal wage/salaried employment. Although this category may not represent a large percentage of the labour force, it comprises those East Timorese who are most likely to be the better educated, technically skilled and urban dwellers, and also more able to express their concerns and dissatisfaction through political protest. It is believed there has also been significant migration to Dili from the rural areas, particularly of young men, which could have had an impact on urban unemployment. The exact migration figures are unknown.

Unemployment?

The rural economy remains extremely weak. The deterioration of the road network and break down of internal trading systems has led to large regional differentials in prices. The micro-credit facilities, mentioned earlier, are important for the development of economic activity, particularly in the agricultural sector and for small entrepreneurial activities. Some immediate impact on rural incomes, albeit it limited and time-bound, has come from temporary employment schemes that are designed to provide a direct cash input into the local economy.

Rural economy

External Resources

At the first Donor Conference on East Timor, which was held in Tokyo in December 1999, donors pledged US\$523 million, comprising US\$157 for the humanitarian programme and US\$366 million for reconstruction and development, most of which is channelled through the UNTAET and World Bank administered Trust Funds.

At the Lisbon Donor Conference in June 2000, UNTAET presented the first consolidated budget for East Timor covering the period 2000/01¹³. The budget entails total external financing of US\$430 million over three years, including US\$380 million for reconstruction expenditures and just under US\$50 million for budgetary support to bridge the deficit in the recurrent budget until this can be financed from domestic resources.

National budget

¹² The first consignment of US coins arrived in Dili in August 2000

Sources of External Financing for East Timor	
Source	Purpose
UNTAET Trust Fund	Covers the budget of the East Timorese public service, some rehabilitation activities, and limited quick impact projects.
Trust Fund for East Timor (TFET)	Administered by the World Bank and covers activities in health, education, agriculture, private sector, economic capacity building, infrastructure rehabilitation (ADB) and community development, including micro-finance.
UN Agencies	A range of development activities, including rehabilitation, education, governance, health, and community development
Bilateral donors	As above
UN Assessed Budget	Covers the salary of UNTAET staff (international and local) and other costs associated with the Mission

With the multiplicity of development partners, and the large amount of donor funds currently being channelled to East Timor, there is a need to strengthen the capacity of the East Timorese to formulate a clear development vision and so be able to effectively coordinate the inflow of financial and other resources from abroad. Nevertheless, the financing of development activities beyond the initial generous donor response is far from secured.

Future Perspectives

As one observer has pointed out, it is important to emphasise just how low East Timor's starting point is. The IMF reports the observed recovery of economic activity in the first part of 2000 is expected to continue in the next few years and that real GDP growth will average at least 15% per annum in 2000 and 2001, led by agriculture, commerce, basic services and reconstruction of public and private buildings. However, it is estimated that it will take sustained growth rates over at least 5-6 years to regain pre-crisis income levels.

The future economic potential of East Timor is a subject of ongoing debate. Some economists¹⁴ maintain that although the Territory has largely been dependent on external resources, both from Portugal and later from Indonesia, East Timor does have the resources to finance its own development in the long term. This view concentrates on the role of agriculture in economic growth, pointing out that agriculture contributes one third of the GDP and employs nearly 80% of the labour force. Sufficient resources channelled into agriculture would get the economy moving. Ultimately, the economy would develop to the stage where the inefficient concentration of the labour force in the agricultural sector, could be pulled into the industrial and service sectors¹⁵.

To date, the priority of most farmers has been to assure their own food security, rather than increasing productivity. Many farming practices produce low yields and cause ecological degradation. Low productivity is the result of low technological inputs, inadequate support facilities and the low quality of human resources. Increasing productivity and sustaining the natural resources base are the keys to sustainable development. The question of land ownership is also crucial.¹⁶

¹³ A preliminary budget had been presented to the Tokyo Donor Conference in December 1999

¹⁴ " Economic Viability of East Timor Revisited " J. Saldanha & H. da Costa

¹⁵ Ibid

¹⁶ Ibid

Importance of agriculture

An FAO assessment of the fisheries sector¹⁷ states that the fishing sector has the potential to contribute substantially to import replacement and income generation plus the production of high quality protein. However, because of the serious and systematic damage done to the fishing sector's fleet, gear, infrastructure and skills base¹⁸, a significant investment would be required, including training, before production could come close to meeting the country's requirements.

Fisheries

The Timor Gap is thought to be one of the world's 20 richest oil deposits. Revenues from the Timor Gap are expected to have a major impact on the East Timorese economy. However, with production expected to start in 2004, it is anticipated that it will take many years before these revenues come on stream. A re-negotiation of the agreement between Indonesia and Australia regarding the exploitation of the Timor Gap resources will be required. The experiences of other countries should provide valuable lessons for East Timor, as there is a risk that the economic benefits from the oil revenues will be concentrated in a relatively small foreign dominated enclave economy, rather than broadly benefiting the population.

Timor Gap revenues

"East Timor will be very poor for many years to come. Its future as a viable, prosperous and fair society will be assured only if rapid, sustained and equitable economic development is achieved. International aid will figure prominently in its economy, but the nation will need to employ that aid productively. It is imperative that an effective economic policy framework be developed and implemented. The country can learn from the mistakes of other small and newly independent nations around the world. "

Hal Hill " East Timor: Development Policy Challenges for the World's Newest Nation".

Hal Hill in his paper "East Timor: Development Policy Challenges for the World's Newest Nation" ¹⁹ provides a brief summary of development potentials for East Timor. He points out that as East Timor is overwhelmingly a rural economy, its comparative advantage is likely to be in resource based activities, with coffee and oil as the most promising export commodities. Among the development potentials, he lists the following:

Development potentials

Coffee and Oil: There should be good prospects for the growth of coffee, with annual exports of US\$50 million or more considered feasible. East Timor coffee can command a premium price in international markets, owing to its quality and the fact that it meets organic standards. Off-shore oil revenues may exceed US\$10 million in years to come. Coffee and oil should be able to generate exports equivalent to at least 25% of GDP, and possibly a good deal more.

Tourism: East Timor is a region of great scenic beauty and superb beaches. Air services between the two major adjacent cities, Denpasar (Bali) and Darwin (Australia) have already resumed, and as the infrastructure is rebuilt, tourism can be expected to develop into a significant labour-intensive (though probably also import-intensive) export industry. An obvious pre-requisite for its expansion is the restoration of peace on the border areas and removal of any threat to security from militias in West Timor.

¹⁷ FAO Fisheries Assessment May 2000

¹⁸ 90% of motorized fishing craft were burned or taken away and most fishing gear was looted or destroyed (FAO *ibid*)

¹⁹ Australian National University, August 2000

There is potential in other areas of agriculture. Animal husbandry is well suited to the drier regions of East Timor. Rice is grown in some regions, although the country is unlikely ever to be self-sufficient in food; nor should this be a policy objective. Other cash crops like coconuts, fruit and vegetables are also grown. Some of these agricultural exports may eventually attract subsidies from the European Union under the Lome Convention.

East Timor is unlikely in the medium-term to develop a manufacturing sector of any significance. Its unskilled labour costs will most likely be quite high, it lacks human resources, and its transport costs to major international markets are high. Nevertheless, there will be niche opportunities in agro-processing, production of import substitutes for the local market, and manufactured exports such as garments.

Poverty and Vulnerability



Fighting poverty in East Timor will be the major pre-occupation of the new government, civil society organizations, and the donor community. But what is the nature of poverty in East Timor? What are the structural causes of poverty? Who are the poorest in society? This chapter analyses these issues.

Global Conferences and Conventions Related to this Area

The nations of the world have come together throughout the 1990s to find ways to fight poverty. At the World Summit on Social Development of 1995, a number of goals were set and strategies put in place. At the UN Millennium Assembly in September 2000, these commitments were reaffirmed. The members states of the United Nations pledged to:

- halve the proportion of the world's people whose income is less than one dollar a day, who suffer from hunger, and lack safe drinking water, by the year 2015;
- promote gender equality and the empowerment of women as effective ways to combat poverty, hunger, and disease and stimulate sustainable development;

The Vienna Declaration of the 1993 World Conference on Human Rights recognized that poverty is a brutal denial of human rights and that a guarantee of human dignity requires eradication of human poverty and social exclusion.

Poor people are generally denied a whole range of economic and social rights. The most widely violated human right is the right to life, or survival, since poor people are more likely to die at an early age due to their many deprivations and lack of access to health services and other resources. The right to a decent standard of living adequate for the health and well-being including education, food, clothing, housing, medical care and necessary social services was recognized in the Universal Declaration on Human Rights.

Poverty also breeds powerlessness, marginalization, and exclusion. The poor tend to be excluded from participation making decisions that directly affect them. Often this results in their being deprived of the benefits of development efforts, thus denying them their right to development, which has been recognized as an inalienable human right in the 1986 Declaration on the Right to Development.

The Face of Poverty

Poverty in East Timor is widespread. GDP per capita was estimated at US\$375 per capita in 1998, and estimates for 1999 are US\$304 per capita¹. A recent survey² of 964 households, half of which were urban, found that the self-declared cash incomes of about 60% of these households was US\$0.15 per day, and for 40% it was less than \$0.07³. Other estimates suggest that 50% of the population live below the international established criteria of US\$1 a day. However, understanding poverty in

¹IMF Report, July 2000.

² East Timor Rapid Assessment of Economic and Social Conditions, Asian Development Bank, June 2000.

³ This does not take into account the value of own food production.

a rural dominated, subsistence-oriented country such as East Timor, requires moving beyond figures and cash incomes.

Given that many are poor, who are likely to be the most vulnerable of the poor? No thorough analysis of the determinants of poverty has been conducted. Despite this, a number of programmes are targeted to the most vulnerable or poorest households. Without understanding the stratification of East Timorese society, it is difficult to ensure development assistance reaches those who need it most. Pre-existing inequities may be further exacerbated through well-meaning rehabilitation and development programs.

The analysis provided below is only a preliminary step towards defining some of the determinants of poverty in East Timor today. Clearly, as conditions evolve, and more community analysis is undertaken, these will change. As such, this should be seen as a working framework, to help launch further analysis and deeper understanding of poverty in East Timor.

It is suggested that the poorest and most vulnerable in East Timor might include:

Farmers:

- in areas most prone to flooding and landslides, such as Viqueque, Manufuhi and farmers dependent on uplands with extreme slopes
- living in geographic pockets prone to food insecurity, such as Bobonaro, which due to security problems, has had difficulty re-establishing food systems.⁴
- with extremely small landholding sizes and poor land,
- who rent rather than own land
- livestock poor

Families:

- with high dependency ratios (high number of elderly or children)
- with large family sizes (those with nine or more children tend to be the poorest)⁵
- with disabled family members, including war wounded
- with members suffering psycho-social trauma or others who are mentally ill
- orphans and other children who have taken to the streets

Women:

- female-headed households, including widows and divorced women⁶, and their children, who drop out or never enroll in school, more than other children
- rural women in general are more vulnerable to poor health, risky deliveries, lower education, less power in decision making
- victims of violence, including domestic violence, rape, psychological abuse

Minority groups:

- Minority groups, including religious and linguistic minorities, may become vulnerable to discrimination and loss of cultural identity

Housing conditions

- those whose homes have been more than 50% destroyed (the criteria for the UNHCR shelter programme beneficiaries)
- those living in plastic sheeting are most vulnerable
- those living in districts whose shelters were most destroyed: Dili, Suai, Manututo, Los Palos
- those without access to clean water and sanitation.

⁴ WFP VAM Unit, Dili (based on SUSENAS 1999 data).

⁵ East Timor Rapid Assessment of Economic and Social Conditions, Asian Development Bank, June 2000.

⁶ estimated to be between 8% and 25% of households depending on district - see WFP/VAM Unit maps attached for more details.

Poverty in East Timor has a female face. Two-thirds of women are illiterate, many have large families, tend to sick children, and have heavy responsibilities within the household and on the farm. As a result, women's health suffers. The fact that mothers in East Timor are amongst the most likely in the world to die as a result of child-birth is a tragedy in the 21st century. Women's choices are often limited. They lack reproductive choices, are often silenced in community meetings, and many are left with the difficult choice of staying in or leaving an abusive relationship. Women have tended to hold only a small percentage of public service positions (25% under the previous regime) and even then, women mainly occupied lower paid jobs. While countless women and their children fed, hid, and supported the resistance movement for decades, and bore terrible costs, they held only three of the 13 positions in the National Consultative Council (NCC).

The female face of poverty

UNTAET's Social Services Unit has registered 165 street children, some of whom were orphaned during the events of September 1999. Many street children play in the port and try to find food in the streets of Dili. Others have taken up selling cigarettes, newspapers, and washing cars. UNTAET sources suggest that most street children are 5-8 years old and the majority sleep at home.⁷ Since May 2000, some Church groups⁸ have been bringing street children together once a week to provide a safe space for drawing, singing, and teaching. When the sisters trace the parents, they often find the parents have lost their home and jobs. Prior to the crisis, there were 1,648 children in orphanages, foster homes, or in care.⁹

"Women are afraid to voice their opinions in community meetings regarding development planning. Men's decisions are heard first. Women are silenced. They tell us that women's issues will be addressed in later stages of the project. We are told to stay at home."
Dulce Vitor, OMT/CIIR leader

The poor and vulnerable throughout the world are often powerless, particularly poor women. Under the Indonesian system, power was centralized; now power and decision-making is centralized in Dili. Poor people lack clear processes to influence change. For instance, fishermen in certain areas have noticed foreign fishing boats using dynamite to fish in their waters, destroying the coral and their future source of livelihood. Being poor and marginalized from power, and lacking representative leaders, they have not been able to stop this dynamite fishing.

The poor are powerless

There have always been periods of the year where households are more vulnerable to sickness, hunger, or income shortages. The periods July-August and December-January, for example, are more malaria prone. The period from December to first maize harvest in March, tends to be the lean season. During this period, eating habits change and food substitution occurs. The overlapping of the lean season and the malaria season, suggest that the period December-January may be a difficult one particularly for rural households. On the other hand, for coffee farmers cash incomes tended to be highest in July after harvesting.

Seasonal dimensions of hardship

The Causes of Poverty

The causes of poverty are numerous, and date back much further than the crisis of September 1999. Strategies aimed at addressing poverty in East Timor need to analyse the historical roots of poverty, the issues of social stratification, and structural causes of poverty.

There are a number of structural problems that cause poverty in East Timor. By structural, we refer to those problems that have a vast impact on a number of areas. Unless structural problems are addressed, a great deal of time, effort and money can be spent dealing with numerous consequences.

⁷ Media Briefing Notes from UNTAET, Dili, August 25, 2000

⁸ The Silesian sisters and "Oratorio Communication Forum" (OCF) provide these services.

⁹ Susenas 1999, figure for 1998/99

Structural causes

The multiple and varied problems facing East Timor today have numerous structural causes including the following:

- The dualistic nature of the economy, with a modern non-Timorese sector and a rural, subsistence oriented agricultural economy
- Environmental damage
- Confusion regarding land and property rights
- The poor quality road, marketing and transportation system
- The marginalized and inequitable position of women
- Lack of adequate education and training facilities

The economy of East Timor remains divided between a modern urban based and a poor, subsistence-based rural system. Unless recognized by policy makers and planners as a structural problem contributing to poverty, it will be difficult for the living conditions of the rural poor to be improved. Likewise, it will be extremely difficult for the future elected government to achieve a sustainable revenue base to finance development initiatives.

Environmental degradation

The uncontrolled rate of deforestation has damaged the natural habitation of people, plants and wildlife and reduced the quality of life. Trees help to stabilise soil and reduce erosion. The destruction of forests and unsustainable agricultural practices have contributed to flooding, landslides and siltation. These problems contribute to the deterioration of poorly maintained roads and irrigation intakes, thereby further increasing isolation and limiting the incomes of rural people. Unless deforestation is addressed, infrastructure and livelihoods will suffer.

Trees also help increase water supply. Deforestation and water pollution makes the problem worse by reducing the quantity and quality of standing and ground-water. Pollution and unsustainable use of natural resources ultimately reduce the income-earning opportunities of current and future generations. The use of cyanide has reduced fish catches, destroyed coral reefs, and jeopardized future tourism potential.

Low position of women

Unless environmental problems such as deforestation, water pollution, and unsustainable harvesting of resources are addressed, roads and infrastructure will continue to break down, agriculture and rural incomes will drop, and people's health throughout the country will suffer. The health and livelihood systems of future generations will also be compromised.

Devasted roads, transportation and marketing system

The high rates of female illiteracy, and low position of women in East Timorese society generally, affect the lives of women and their children. Data indicates that children of female-headed households and illiterate parents are less likely to attend school in East Timor¹⁰. Evidence from other countries confirms that children of illiterate women, and those experiencing domestic or other forms of violence, also tend to be sick more often, have lower nutritional levels, and have higher rates of mortality. Illiterate women have more children, closer together, and are more likely to suffer from poor health.

The poor state of the transportation and marketing network has serious implications for poverty. Neglected roads, damage from the crisis, destruction of vehicles, and the collapse of the rural marketing and processing network mean that rural producers have few ways of getting their produce to market. Transportation

¹⁰ Social and Economic Conditions in East Timor J. Pedersen and M. Arneberg (eds), November 1999, pg 94.

costs have soared and the middlemen who used to purchase coffee, rice or food crops have left. Unless the transportation and marketing problem is addressed, initiatives aimed at increasing production or introducing new, alternative sources of income will fail.

There are also serious social implications of poor roads and transportation. It becomes more difficult to access health centers, schools, particularly in isolated areas. Women will become more likely to deliver babies without supervised attendants, and it becomes more difficult and costly to provide health promotion or agricultural extension services.

A dualistic economy

Data collected by the JAM mission in late 1999 showed that bank accounts in Dili had an average deposit of US\$4,500 compared to an average deposit for similar accounts of US\$84 in rural areas (Liquica and Gleno).

Cesaltino's long walk

Cesaltino is a 15 year-old boy from Remexio, in Aileu district more than 20 kilometers from Dili. He lost both parents in September 1999. He wakes up very early in the morning to prepare his supply of fruits and vegetables to be sold in Dili. He walks through mountains and rivers to get to the capital. Transportation is too expensive. When he arrives in Dili, he hopes to sell things quickly, so he can return home. If his produce sells quickly, he can purchase other basic items to meet his family's needs. He drops the price when sales are slow, leaving him with very little money. *Source: Interview by Fernando da Costa, August 2000.*

Rehabilitation and Recovery



Even though the immediate emergency and humanitarian phase has passed, East Timor is still left with the challenge of rehabilitation and reconstruction. This chapter examines the issues related to the immediate recovery needs including: repatriation and re-integration of refugees and displaced people, shelter, and rehabilitation of infrastructure.

Global Conferences and Conventions Related to this Area

There are a number of International Conventions related to the right to refugee protection, most notably the 1951 Convention relating to the Status of Refugees.

In the Millennium Declaration adopted by the UN General Assembly on 8 September 2000, the UN member nations resolved, *inter alia*, "to help all refugees and displaced persons to return voluntarily to their homes, in safety and dignity, and to be smoothly reintegrated into their societies."

The Convention on the Rights of the Child, in article 22, refers to the obligation of the State in collaboration with UN Agencies and NGOs to protect and assist a refugee child reunite with other family members. Article 38 refers to the State's obligation under humanitarian law to protect civil populations in armed conflicts and to take all feasible measures to protect and care for children affected by armed conflict. Article 39 refers to the State's responsibility to take all appropriate measures to promote physical and social re-integration of child victims of armed conflict.

The right to shelter forms an integral part of the economic, social and political rights of all people. This right was torn away from the East Timorese by the militias during the crisis. In the Istanbul Declaration of the UN Habitat Conference of 1996, governments pledged their commitment to "the full and progressive realization of the right to adequate housing" and also agreed to provide legal security of tenure and equal access to land for all people, including women and children living in poverty."

Repatriation and Reintegration of Refugees and IDPs

Return of Refugees

Following the announcement of the result of the popular consultation on 4 September, an estimated 250,000 people left the territory, some voluntarily but the majority under coercion by the pro-integration militia and elements of the Indonesian military. The latest available figures indicate that 169,600¹ had returned to East Timor², both in organized repatriation and in spontaneous repatriation. Rates of repatriation have slowed considerably in recent months.

About 15% of the population still refugees

¹ UNHCR August 2000.

² Humanitarian Pillar Situation Report, Aug. 2-9, 2000, UNTAET/HAER.

An estimated 60-70% of the refugees in West Timor would want to return³ if conditions were right. The main reasons those remaining in refugee camps are not returning home are:

Refugees as "hostages"

- intimidation by militias active in the camps, who use the refugees almost as human shields;
- fear of insecurity in East Timor, due in part to misinformation campaigns by militias and lack of information regarding the current situation in East Timor;
- fear that they won't be able to meet their subsistence needs in East Timor given the challenges in planting and harvesting, destruction of their homes and communities;

It can be assumed that the remainder, which comprise mostly of militia members, police, some civil servants, and their families, are unwilling to return and would prefer to settle in Indonesia.

With the withdrawal of UNHCR and all other international agencies following the murder of three international staff in September, coupled with the instability in West Timor, a sudden mass spontaneous return of refugees may take place and contingency planning for this eventuality is taking place. The security problems in West Timor are not new. According to UNHCR, prior to these murders, 103 attacks against humanitarian workers and refugees had been recorded in West Timor since September 1999. Up to now, the Indonesian military forces have not intervened in any significant manner to control the militia, and they have been able to carry out acts of intimidation, while Jakarta has little control over their actions. Observers have pointed out the risk of the militias becoming a state within a state and the risk they pose to the internal security of Indonesia.

A mass return of refugees?

Indicator	Number
Refugees remaining outside East Timor as of September 2000	80,000 - 120,000 ⁴
Refugees at peak of the crisis	Estimated at over 250,000, or nearly a third of the population
Estimated internally displaced at peak of crisis	Close to 600,000
Remaining internally displaced (from the events of September 1999)	For planning purposes, it is assumed all original IDPs have returned home.
New internally displaced (i.e. people who have left their homes in fear of militia infiltration in their area)	2,196 (Sept 2000 in Ainaro, Manufahi districts)

Of all the people who became refugees, about one third came from Dili, where about 45% of the city became refugees. Almost half of the population of Bobonaro and Covalima also became refugees. To date, on repatriation, the districts with the lowest rates of refugee repatriation are Viqueque with only 16% of refugees having returned, followed by Manatuto with 35%⁵. Returnees who are part of an organized repatriation pass through one of four transit centers, where they receive vaccinations, medical services, five kilograms of food, and non-food items such as cooking

Returnees

³ CAP Review "External Review of the Humanitarian Response to the East Timor Crisis", OCHA May 2000, Dili.

⁴ Exact figure is not known: 120,000 is the UNHCR figure used for planning purposes. Other estimates range from 80,000 to 120,000.

⁵ IOM table "Refugees/Returnees Statistics Aug. 11, 2000.

utensils and tools. When necessary, counseling services are provided to those suffering from stress or trauma. From there they are transported to their homes. A bottleneck to speedier repatriation has been the poor conditions of the roads. In some cases, refugees had to be repatriated by air or barge.

Family reunification and child protection

Many families were separated during the chaos surrounding the events of September 1999. ICRC and IRC undertook re-unification of 687 unaccompanied children and fragmented families through family tracing, letter campaigns, family reunion days on the border, production and distribution of information leaflets, transport of family members, and awareness raising of child needs and protection. As of May 2000, there were an additional 1,243 cases that agencies were still working on. The work of tracing and re-uniting families is labour intensive and takes time for a relationship of trust to be established.

The reintegration of returnees is an integral element of reconciliation, but this can be a slow process, particularly when the accompanying work on bringing those responsible to justice is moving slowly. The East Timor Jurist Association and UNTAET-Humans Rights Unit, in their report to the CNRT Congress of August 2000, stated that:

Reconciliation

“Reconciliation is fundamental to national unity, healing, peace and development in East Timor. But there can be no genuine reconciliation without truth and justice. The CNRT Magna Carta upholds the duty to contribute to the future reconstruction of East Timor and the duty to contribute to national unity and to social and political harmony amongst the East Timorese”.⁶

However, for reconciliation to be lasting, it requires active involvement of community members. The report goes on to mention that this in turn requires community education and understanding of reconciliation, recognition of mistakes, willingness to be sincere, honest and to forgive. For reconciliation to be complete, issues during the Indonesian period also need to be examined.

District Administrations are responsible for re-integration in collaboration with local organizations and partners. Experiences differ from district to district, but generally the process involves the CNRT, local leaders, the Church, local NGOs and Civilian Police (CIVPOL). Community meetings are held to discuss whether or not to accept the person. In Aileu District, for example, when returnees come home, they introduce themselves to the Civilian Police (CIVPOL), then return to their place of origin with the chief of the *posto* (sub-district) and the CIVPOL. The chief of the *posto*, representatives of the CNRT and two facilitators from the Justice and Peace Commission organize a meeting open to all community members to discuss issues related to the reintegration of returnees. Individual cases are not discussed. These meetings are being held throughout the district.

“We preach patience. We make it clear we are protecting people, not crimes”.
Antonio Goncalves,
local attorney, quoted
in *Refugees, vol. 1,*
no. 118 (UNHCR).

In certain districts, the reconciliation process has been difficult. In Liquica, for example, where many militias were based, there have been reports of assault on returnees suspected of being militias or TNI members. Since then, CIVPOL has established a safe house.

Being able to reintegrate into the community requires short-term support and longer-term strategies. In the short-term, returnees are provided with household items such as blankets, mosquito nets, soap and sheeting. Psycho-social support

⁶ “Human Rights and the Future of East Timor”, Recommendations to the CNRT Congress from the East Timor Jurists Association (ANMEFTIL) and UNTAET Human Rights Unit Workshop on Human Rights, Dili, 7-8 August 2000

and counseling services are also provided and a community reconciliation process is initiated through which groups with special needs are supported (see housing section below). In the longer-term and as a bridging between emergency and long-term development, quick impact projects and other community-based projects, such as the Community Empowerment Project (CEP) aim to stabilize the population and allow the resumption of productive activities. These activities are targeted at the community as a whole, rather than focusing on one category of people (i.e. returnees).

Reintegration

Internally Displaced Persons

The number of internally displaced persons (IDPs) after the crisis was estimated at 600,000. Many fled to the relative safety of the mountains as militia groups systematically demolished roadside villages. Many of the internally displaced quickly returned home as there were no services or food available to them.

Opportunities for the future

Reports suggest some of those displaced had not returned to the villages from which they fled. Instead they have chosen to go back to the ancestral lands from where they were forcibly moved during the Indonesian period. This has created considerable confusion, as customary land title was not formally registered.

Certain minority groups remain displaced for fear of reprisals. For example, in Dili district, more than 200 Muslims have taken refuge in a mosque, rather than returning to their homes for fear that their safety may not be guaranteed.

Key Issues and Opportunities in Repatriation, Reconciliation, and IDPs

The reconciliation process beginning in villages across the country, offer an opportunity to increase people's understanding of their civic duties, respect for the rule of law, and tolerance. This will benefit reconciliation in the villages and could contribute to nation building. In addition, this process could also lay the foundations for future civic education programmes and preparations for the elections.

The situation of the refugees in West Timor will present a major challenge. The status of those refugees who were actively involved in militia activities and who choose to stay in Indonesia will need to be determined. If these groups are not relocated away from the borders they could pose an on-going security threat, particularly in the enclave of Ambeno/Oecussi. Should a large number of refugees return at once, considerable strain would be put on the nascent reconciliation process and reintegration services. Thus the potential for social tension could also increase. Therefore, to ensure the resilience and growth of these initiatives, additional funding would be required.

Child protection will remain a concern, as over 1,000 children are still believed to be separated from their families, and vulnerable to exploitation. The poor conditions of the roads will likely slow down further secondary repatriation, particularly with the on-set of the rainy season. The on-going confusion regarding where people will settle, including property and land ownership, will continue to pose challenges and have consequences for commercial and agricultural development, electoral registration, and social cohesion.

Emotional re-unification of Alariko, 11 year old boy

Alariko Mendoca was a primary school pupil in Dili before his studies were abruptly ended by the turmoil last year. He fled to West Timor with his uncle where he lived in the camps. He has an emotional and tearful re-union with his parents nine-months later in the Batugade transit camp close to the East Timor border. "We are acting as a go between for people wishing to get re-united with their missing relatives", said Alec Wargo, Field Officer with UNHCR. Mr. Wargo negotiated with the Indonesian soldiers to let Alariko's parents talk to their son at the Atambua camp. "He was simply terrified, worried" Mr. Exposto said. "He could not trust anybody. Until he saw me and his mother today, he was not willing to accompany anyone to Batugade". Mr. Wargo explained that people in the camps do not get good news about East Timor. "They are thinking about security, politics back home and their overall future". Despite the hesitancy, there is an increase in child re-unification due to the concerted efforts of UNHCR, International Rescue Committee, and the International Committee of the Red Cross. *Source: Tais Timor newsletter*

Finally, rehabilitation of village services and the revitalization of farming and other livelihood systems will present difficulties for returning families, particularly during the period when quick impact projects wind down, and longer-term development initiatives are being launched.

Shelter

Housing in the Pre-crisis Period

There is very little information available regarding the condition of housing in East Timor prior to the crisis. Traditional housing materials in rural areas consisted mainly of bamboo or earth floors, bamboo walls, and palm/leaf roofs. The average floor area tended to be between 35 and 45 square meters.⁷

The building of houses was considered largely a male responsibility. There did not seem to be a pattern between the type of housing materials used and the relative wealth or poverty of households⁸. In other words, type of housing was dictated by cultural and traditional preferences, not necessarily by the relative wealth of the family.

Impact of the Crisis on Housing

The level of damage differs from district to district and within districts. Those people who lived closest to paved roads suffered the greatest destruction. The Joint Assessment Mission (JAM) established different categories of damage to buildings. Level one damage referred to those houses with no structural damage, level two were those with roof destroyed but walls intact, and level three were those where the roof and walls were destroyed. The report estimated that level two damage represented 75% of the total reconstruction costs⁹. The extensive burning of homes also damaged water and sanitation and power supplies of homes. Added to the exodus of shopkeepers and subsequent looting in Dili, the Indonesian-dominated construction industry was reduced to zero.

Based on the estimated pre-crisis population (891,000) and average family size of seven, one could estimate there were 127,385 houses in August 1999. This suggests more than half or even two-thirds of all homes were damaged or destroyed during the post-ballot violence. In urban areas the rate of destruction was, with a few exceptions, between 70 - 100% of the housing stock.¹⁰

Indicator	Amount
Number of houses damaged or destroyed	85,000-90,000 ¹¹
Number of emergency tarpaulin sheets distributed	277,117 family sized
Number of shelter kits currently planned	35,000
Number of shelter kits distributed as of October 2000	19,500 ¹²
Number of kits constructed as of October 2000	12,800

⁷ WFP VAM Unit, Dili (based on SUSENAS 1999 data)

⁸ Ibid

⁹ East Timor Joint Assessment Mission, Infrastructure Background Paper, Nov. 1999

¹⁰ UN Centre for Human Settlements (Habitat)

¹¹ Status of Shelter Programme in East Timor, Report No. 13, UNHCR, Aug. 23, 2000

¹² East Timor Consolidated Appeal Process, CAP Review, Phase 1 report, May 2000, pg.31

Current Situation Regarding Shortage of Housing

Diagram A (see Annex 3) summarizes some causes of the on-going housing shortage in both urban and rural areas.

Given the widespread destruction to housing, it was decided early on to provide emergency sheeting and shelter kits as an interim measure for the next 3-5 years. Traditional building materials such as grass and timber were limited due to fires and destruction during the crisis. Furthermore, the environmental impact of tens of thousands of households cutting trees for timber was daunting, which led to CNRT proposing a ban on timber clearing.

Aid efforts significant, but insufficient to meet needs

UNHCR, in partnership with a variety of NGO implementing partners, have launched a shelter programme that aims to provide 35,000 housing kits which consist of wooden beams, nails, tools, roofing materials and cement. The community members decide who will receive the kits, but priority should be given to vulnerable groups, including, widows; female-headed households with children; disabled people; large families with more than five children; older people with no adult family members to support them; and others identified by the community as being vulnerable. Village committees, who have both male and female members, prepare lists of destroyed homes and prioritize recipients. Community members are expected to provide the labour and skills needed to build the houses. For widows, female-headed families, disabled and elderly people, labor contribution from other community members is essential.

As of August 2000, more than half the kits had been distributed, and more than one third had been constructed. Speedier implementation of the shelter program has been hindered by the following factors:

- slow start-up date due to late arrival of materials and staggered availability of materials, meaning there were incomplete kits
- difficulties with in-country distribution due to poor roads, costly air delivery
- poor quality of supplies, creating wastage of up to 15% of timber

Additional requests for shelter kits continue to be received, possibly due to unreliable local information first provided and the return of refugees not fully taken into account. The CAP study estimated that an additional 20,000 kits would be required to cover the needs in Dili and the gaps in other parts of the country.

As shelter needed to be provided immediately, shelter kits were imported. Little attention has been given to restoring the supply of traditional materials such as *alanga-langa* grass used for roofing, bamboo, palms or to re-launching brickwork houses. Importing timber was a wise decision to avoid wide-scale destruction of the already extremely fragile and limited forest. Under the shelter programme, people are themselves responsible for providing the material for the walling of their houses, so traditional materials and methods are being used. Improving this access to sustainable local housing materials should be considered.

Low emphasis on rebuilding traditional housing

A significant housing crisis exists in Dili. Housing conditions in Dili were more sophisticated, and require greater skills to re-build. The CNRT strongly advised against the distribution of shelter kits initially in Dili for fear that this might encourage rural people to stay in the city, and also because unplanned emergency housing would hinder future town planning. However, given the housing needs in Dili, this approach may need to be reviewed.

<i>Urban planning</i>	Urban planning in general has not yet been given full attention within ETTA, and does not lie clearly with any one Department. The consequences of urban migration and the lack of urban planning are now being felt. The population of Dili is estimated to have swollen to 160,000, with a large number of unplanned settlements lacking basic utilities and sanitation.
<i>Lack of local construction industry, costly imported supplies</i>	As was the case in other sectors of the modern economy, the construction industry was dominated by non-Timorese. When they fled, they took what supplies they could and other material and equipment were destroyed in the crisis. As a result, most construction materials are being imported at a high price. The costs of such materials are often out of the reach of average households, particularly in the rural areas, where prices are even higher due to high transportation costs. Few Timorese had senior level job opportunities as Indonesians dominated the construction industry. This lack of managerial experience in the industry, combined with the lack of access to credit and capital, makes it extremely difficult for the East Timorese construction industry to develop.
<i>Confusion regarding land ownership</i>	The already complex property ownership has been complicated by the fact that returnees are often living in vacant homes that have suffered less destruction. It is not clear whether or not the rightful owners will ever return. There is also evidence of families reclaiming their original customary land. The secondary occupation (squatting) of abandoned and/or returnee houses is widespread throughout East Timor and especially in Dili, which signals the obvious but insufficiently addressed problem of a massive shortage of affordable housing.

Consequences of the Housing Crisis

Some consequences of the poor access to housing are overcrowding, increased risk of transmission of communicable diseases, increased stress levels and potential for domestic violence. In urban areas, youth and others are more inclined to loiter as they avoid going home. This could contribute to delinquency unless recreational or schooling opportunities are increased. Members of rural households without housing may decide to migrate to urban areas, further exacerbating the shortage. The lack of housing also slows down the rate of refugee repatriation.

Key Issues and Opportunities

In a tragic way, the destruction of housing and public buildings in Dili offers an opportunity to address urban planning in a more comprehensive manner. In addition, modern town planning practices could be introduced, including the installation of modern public utilities such as gas, water, electricity and telephones. Also the rebuilding of Dili can lead to the development of an appropriate architecture for the culture and climate.

Investment in housing has a high economic return. The building industry provides job opportunities and can have a positive effect on small and medium scale enterprises that supply building materials, furniture and furnishings, and technical services. Employment is generated far beyond the construction process itself.

The key issues in the coming years will be to:

- in the short-term, increase the number of shelter kits available to vulnerable groups and tackle bottlenecks that are impeding quicker implementation;
- nurture the development of an East Timorese construction industry including vocational training opportunities, providing access to credit and business training, able to address some of the housing needs;
- invest in environmental rehabilitation programs to ensure a sustainable supply of traditional housing materials;
- provide access to credit for shelter reconstruction for those who do not obtain or are not eligible for shelter kits;
- develop a comprehensive housing policy and establish institutional arrangements to deal with this challenge;
- clarify land and property ownership issues; and
- address urban planning, especially in Dili.

Land and Property Issues¹³

The lack of clarity on land and property issues is a one of the major elements slowing down the pace of rehabilitation and recovery of East Timor, and can also hinder long-term development. In fact, there is no accepted “baseline” on land issues as all previous land laws were introduced by regimes, Portuguese or Indonesian, which had no democratic legitimacy in the eyes of the East Timorese.

Pre 1999 Situation

Prior to the arrival of the Portuguese in the 16th century, land was controlled and allocated by the *liurai*, assisted by sub-leaders, usually in exchange for compensation of some kind. A council comprised of local leaders held legal authority. Under the Portuguese, as long as the customary systems did not conflict with Portuguese commercial interests, it was allowed to persist and was often relied upon to maintain social cohesion. However, the amount of land under customary control was significantly reduced and brought under colonial title, thus eroding the influence of the local land allocation systems, while also reducing the political influence of the *liurai*.

Customary systems

Under Indonesian rule, any legal recognition there had been for customary law was finally removed. Communal land was declared state land and ownership often transferred to powerful businesses. Land acquisition procedures were widely known to have been highly corrupt and unjust, with arbitrary and forced land confiscation.

Impact of the Crisis

Many of the housing, property and land registration records were destroyed during the devastation and destruction of September 1999. This poses a huge obstacle to resolving disputes over ownership of land and property. At the same time, only a small portion of the total land area of East Timor was ever subject to official registration and this was in mostly urban areas with the majority of land still under customary title, thus making official records a mainly urban affair.

Records destroyed

¹³ This section draws principally, “*Housing, Property and Land Rights in East Timor: Proposals for an Effective Dispute Resolution and Claim Verification Mechanism*”, Habitat May 2000.

Implications of the Current Situation

Among the main implications of the current situation are the following:

- Rural development*
 - A break on rural/agricultural development: With no title to land, farmers will be reluctant to make longer-term investment in their land. In addition, rural/agricultural development requires a market in land, i.e., that more productive farmers can buy additional land from less productive farmers. Although a market in land in the rural areas seems to operate to a certain degree, based on customary land law (*adat*), more formal systems need to be in place for any real rural development to take place.
- Urban development*
 - A break on commercial and economic development in the urban areas: Lack of a clear legal framework for land and property ownership has been identified as one of the major obstacles to private investment in East Timor.
 - The multiple claims on land (customary law, Portuguese title, Indonesian title) is a potentially sensitive political issue. The status of some large private coffee plantations is, for example, currently in dispute, with the some Portuguese owners now attempting to reclaim the property that was expropriated by the Indonesians. In addition, ETTA has currently received 50 property claims from Chinese business people. Land and property rights will have to be framed within the context of East Timorese citizenship, which has not yet been defined.
- Multiple claims*

“The successful resolution of housing, land and property disputes and the verification of urgent claims on housing, land and property constitutes one of the fundamental challenges facing the UN Transitional Administration in East Timor.” *UN Centre for Human Settlements (Habitat), May 2000*

Land in East Timor is much more than a commodity. Land, particularly customary land, is revered and considered a community good, forming an indispensable and central component of Timorese culture and life. UNTAET/ETTA has established a Land and Property Division to address these issues. Given that customary laws and systems have continued to operate in a certain *de facto* manner, UNCHS (Habitat) has advised that any future system should take account of the sources of information and wisdom on land matters residing in those customary structures.

A well-functioning land market will depend on a well-functioning land administration system. Currently, UNCHS (Habitat) is providing advice on how to rehabilitate the land registration processes and develop a suitable system for East Timor. This should be followed by fundamental land law reforms, subjected to community consultation, leading to an equitable land administration set-up.

Rehabilitation of Infrastructure

This section will examine the problems surrounding the destruction to major infrastructure, including power and transportation. The rehabilitation of water and sanitation, education and health facilities is described in chapter 6.

Indications of the Problem

When undertaking problem analysis, the poor nature of the transportation network has been identified as a structural barrier in a number of sectors. The damaged infrastructure has hindered the implementation of aid and development programmes, has slowed down repatriation efforts, has been a barrier to marketing of crops and to economic growth in general, has further reduced access to basic services, and has tended to reinforce the isolation of rural communities. Furthermore, the poor condition of the ports has resulted in a bottleneck within

the logistics of humanitarian and other aid. Unless this bottleneck is addressed, future development efforts will also have slow implementation rates, leading to further frustration and hardship for the people of East Timor.

Indicator	Amount
% roads in poor and very poor condition in 1997	In 6 districts between 50-82%
Roads not passable in August 2000	5 out of 15 routes
General status of ports	Dili-fragile
Number of functioning power stations	21 out of 58 facilities

State of Infrastructure in Indonesian Times

When the Indonesians annexed the territory in 1975, there were few roads or other infrastructure. The construction of roads throughout East Timor was crucial to improving services and to economic development. However, it was also useful for the military in their efforts to control the resistance movement. As of 1999, there were 6,363 kilometers of road, of which 55% (3,513 km) had been asphalted. The road links consisted of a northern coastal corridor, a southern coastal corridor and five penetration roads.

The high rainfall and natural terrain of East Timor make the construction of lasting roads problematic. Generally, roads were constructed without adequate drainage, slope protection or safety devices. As roads pass many small mountain streams, and drainage facilities are poor, surfaces can often collapse. Strong rainfall during the wet season contributes to erosion and landslides, often causing the washout of roadbeds. Many roads are narrow and thus more vulnerable to closures.

Roads expanded, but poorly constructed

There are three main ports in the country. Dili port, which is the most relied upon, is today in poor condition due to years of neglect as well as poor engineering and the use of sub-standard materials. The port also sustained heavy damage in an earthquake in 1995, and much of the damage was not repaired. The other main ports are at Carabela and Com. There are also two smaller docks in Tibar and Hera. Oecussi has a landing port and regular pier. In 1994, the Indonesians had planned Tibar to be a substitute to Dili port, but as it has a shallow bay, the plan was abandoned. However, the question of moving Dili port operations away from the city should be considered to avoid blocking the center of town and causing delays due to port congestion.

Ports

In 1996, about one in four people in East Timor had electricity, and these were mainly people in Dili¹⁴. Demand for electricity was increasing and by March 1999, there were over 44,000 customers, which represents a 10% increase from the same time in 1998.

Electricity was supplied through 58 power stations, including four main units in Dili, Baucau, Maliano and Gleno. These were all diesel generated. Power supply to the districts tended to be concentrated in towns and served residences, local government buildings, public facilities and some consumers. Few villagers had access to electricity. There were at least three micro-hydroelectric units installed and 290 solar energy units.

Power

¹⁴ Social and Economic Conditions in East Timor, J. Pedersen and M. Arneberg (eds) November 1999.

Of the 240 employees of the Indonesian run electricity company, only 25% were East Timorese, mostly working at the lower levels. The company ran at an annual loss of about \$2.7 million¹⁵. Non-payment by local government officials was a major problem as was the poor maintenance of power stations.

Impact of the Crisis

The power stations outside of Dili sustained severe damage during the crisis. In all sectors, government buildings were destroyed and senior staff fled the country, leaving a shortage of skilled personnel.

Roads, bridges and ports were largely unaffected by the post-ballot destruction, although equipment in the ports was destroyed. However, roads and bridges did become severely damaged as an unfortunate result of the intervention of INTERFET and UNAMET/UNTAET, and the humanitarian aid programme. The immense pressure of heavy goods vehicles, coupled with an extended rainy season in early 2000, substantially added to the deterioration of the road network. This is an ongoing problem, as much needed humanitarian aid still needs to be transported by road. In addition, cars, trucks and buses were burnt, leaving a shattered transportation system.

Current Situation Related to Infrastructure

Maintenance of the roads has been neglected since the Indonesians withdrew, and even prior to that was insufficient. Due to the considerable deforestation that has occurred since the crisis, soil erosion and risks of landslides have increased. The result is that road ditches and riverbeds underneath bridges are filling with sediment. Road maintenance efforts are focusing on patching holes and cleaning ditches to address short-term needs. Little attention has been given to addressing the problem of deforestation or community watershed management, which is one of the underlying causes, as these are often put off as being "too long-term".

In a recent study by JICA, more than one third of all roads (2332 km) were classified as damaged or seriously damaged and 11% of bridges were in poor condition.¹⁶

In 1996, some 6,400 cars, buses and trucks were registered as well as 16,000 motorcycles. There was a heavy loss of vehicles during the crisis, and as financial services and credit are not available, it is difficult for the transport networks to be re-established. There are currently only two roads that have a 12-hour traffic volume of more than 500 vehicles. These run between Dili and Liquica and between Dili and Aileu.¹⁷

To date there has been an over-reliance on expatriate contractors in the rehabilitation of infrastructure. The competitive international bidding process can leave potential East Timorese contractors at a disadvantage as they lack expertise to provide international quality of services. Steps have now been taken by ADB to facilitate the involvement of East Timorese companies in the bidding process for TFET-funded rehabilitation activities, and this could serve as a model in general. The logistical problems caused by the poor condition of the Dili port continues to hamper the delivery of aid and goods. The fender system is in poor condition, which means that ships are at risk of being damaged while berthed. There is no functioning equipment to deal with cargo. As the port lacks light, night-time activities are slowed down and valuable commodities are at risk of theft. Also, ships traveling into the port require navigational aids such as beacons, lighthouses and

¹⁵ Ibid, pg. 130

¹⁶ The Study on Urgent Rehabilitation Plan in East Timor, Sector Report (Roads, Bridges, Ports, Power, Irrigation), by Pacific Consultants International for JICA/UNTAET, June 2000, p. 3-2, 3-8

¹⁷The Study on Urgent Rehabilitation Plan in East Timor, Sector Report (Roads, Bridges, Ports, Power, Irrigation), by Pacific Consultants International for JICA/UNTAET, June 2000, p. 3-9

Neglect and environmental problems

Heavy reliance on expatriate contractors

leading lights to guide them safely and avoid running into the bay's many reefs and shallow seabeds. These are currently in very fragile condition, and should they collapse or become inoperable, the port would have to be closed until they could be repaired. Such a closure would result in shortages of goods and commodities for the people of East Timor, slow down the implementation and delivery of aid, and lead to greater frustration and hardship. Steps are being taken to address this problem and a project to restore the navigational aids is due to commence shortly.

Of the 58 power stations throughout the country, 37 are no longer operational due to the vandalism and burning that took place in September 1999. Shortages of fuel have meant that most power stations outside Dili only operate in the evenings. Over 70% of all power demands come from Dili, where a more or less stable supply of power has been provided.

Power supply

Replacement parts and tools are in short supply, making it difficult to carry out regular maintenance and repair work. There are serious shortages of materials for oil purifiers and reagents for water softeners, thus contributing to pollution and deterioration of the water quality.

Given that most industries were destroyed in the conflict, as industrial development occurs, and social services are restored, the country can anticipate higher electricity demands in Dili. According to a survey done by ETTA, power demand in Dili and its environs has increased an average of 13% per month in the first half 2000.¹⁸ One JICA study estimates that given the current capacity combined with the increasing demand, Dili will face a 50% shortfall in supply of power by February 2003.

Increasing demand for power

Opportunities and Key Issues

Major donor investments are being made into the rehabilitation of infrastructure. JICA has identified three levels of road rehabilitation, and has categorized all roads into these levels. Level one focuses on emergency rehabilitation to ensure roads are passable in the dry season, while the second phase will ensure that roads are open even in the rainy season. The third level will upgrade roads to their original standard. Similarly, different levels of bridge rehabilitation have been identified. Bridges will be restored with the aim of keeping roads passable all year round. Using these classifications, JICA's road rehabilitation programme is currently underway and provides an important opportunity to address these major needs.

Key to ensuring that the East Timorese have the skills and resources to effectively manage and maintain all areas of the infrastructure sector, considerable education and training of local managers, engineers and technicians is essential.

The user pays principle has been established for infrastructure. This will first be applied to UN offices and to businesses, rather than the private consumer. However the fall in income of East Timorese makes the self-financing of the infrastructure problematic in the next ten years. Community promotion for supporting the services is being developed e.g. the operational costs of rural water supply scheme could be funded by the villages.

It is now recognized that the UN rules and regulations have proved to be a bottleneck to reconstruction activities, both in terms of slowness of procurement and in terms of limitations on the activities of the UNTAET mission (e.g. UNTAET engineers are prohibited from fixing buildings used by East Timorese officials.) This is a matter that will have to be addressed.

¹⁸ *ibid.*

Areas of Current and Planned UN Agency Support

Return and reintegration of refugees

Within the UN System, it is UNCHR and IOM that take the lead in this area. Areas of future support include:

- protection and support to refugees returning from West Timor, other parts of Indonesia and elsewhere, including reception, onward transportation and monitoring of refugees and initial reintegration for returnees (UNHCR, IOM);
- reunification of children with their families (UNHCR and implementing partners);
- legal support related to re-integration of returnees, including property rights, access to identity documentation, citizenship/residency and the civil status of returnees (UNHCR);
- promotion and dissemination of refugee law, support for accession and implementation of refugee law and instruments, training of officials, NGO staff and others (UNHCR);
- major civic education program to be launched by ETTA, supported by UNDP, and UNHCR who will also conduct a civic education program;
- IOM Community Assistance for Population stabilization (CAPs) which will assist in bridging needs between emergency and development/rehabilitation of basic infrastructure schools, water, bridges.

Shelter

The UN agencies will provide support in the areas of:

- on-going co-ordination related to the provision of existing 35,000 shelter kits for returnees, IDPs and vulnerable groups (UNHCR);
- quick Impact Projects in shelter-related activities (UNHCR);
- legal support regarding land and property rights (UNCHS - Habitat);
- basic vocational training (UNDP);
- support to small and medium enterprise development (UNDP);
- housing policy development to ensure sustainable approach to shelter beyond the emergency stage (UNCHS - Habitat);
- support to urban planning (UNCHS - Habitat).

Rehabilitation of infrastructure

- Rehabilitation of electrical power stations (UNDP and UNOPS)
- Rehabilitation of the navigational aids and fender system of Dili Port (UNDP and UNOPS)
- Emergency road repairs (UNDP)
- Enterprise development (ILO)
- Management of port and maritime transport (UNCTAD).

Access to Basic Social Services

One of the key areas of global concern in the past decade has been to put people at the center of sustainable development and to recognize their entitlement to lead a healthy and productive life. This chapter examines to what extent the people of East Timor are enjoying their rights to health, education and water and sanitation. Key indicators in these areas are tracked and comparisons made.

Global Conferences and Conventions Related to this Area

The right to good health, education, safe water and sanitation, and adequate shelter are an integral part of human rights. These rights are enshrined in international conventions such as the International Covenant on Economic, Social and Cultural Rights, the Convention on the Rights of the Child, and the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW). East Timor's Magna Carta, developed in 1997 by a group of expatriate East Timorese, also reiterates citizen's right to education, freedom from illiteracy and the right to good health, particularly for women and children.

Governments have pledged to improve the quality of life through better access and quality of social services such as primary health care, reproductive health care, basic education, water and sanitation, shelter, and an improvement of women's status in society. The common goals set by various UN Conferences include:

- more accessible, available and affordable primary health-care services of higher quality, especially for the vulnerable and disadvantaged, in particular women and children;
- significant reductions in maternal mortality by 2015, a reduction in maternal mortality by one half of the 1990 levels by the year 2000 and a further one half by 2015;
- reduction of infant mortality rates (IMR) to below 35 per 1,000 live births by the year 2015;
- aim to achieve an under-5 mortality rate of below 45 per 1,000 by the year 2015;
- complete access to primary school or equivalent level of education by both girls and boys as quickly as possible, and in any case before 2015. The gender gap in primary and secondary school education should be closed by 2005;
- reduction of adult illiteracy rate to at least half its 1990 level, with an emphasis on female literacy;
- access to safe drinking water in sufficient quantities and proper sanitation for all.

Health Issues

The Right to Health

The right to good health is a fundamental aspect of many international conventions. Article 25 of the Universal Declaration of Human Rights states that "Everyone has the right to a standard of living adequate for the health and well-being of himself and his family... including medical care...Motherhood and childhood are entitled to special care and assistance". CEDAW also calls on states to ensure equal access for both men and women to health services. East Timor's Magna Carta reaffirms the "right to health care and services to protect mothers and children, laws to give priority to public health and preventive medicine, protection of pregnant women and young mothers".

Indications of a Poor Health Situation

Compared with the other provinces of Indonesia, East Timor consistently had the worst health conditions, and indeed resembled the conditions found in many poor African countries, rather than among its Asian neighbours.

Some indicators of the poor health of East Timorese are given below. However, it should be noted that there is very little reliable data available. WHO, UNICEF and others in this field regard the data from pre-1999 as having limited validity and as not necessarily reflecting the actual situation. It is expected that as new data is collected infant mortality rates and child mortality rates may well be higher than would be suggested by the indicators below.

Reported maternal mortality rates also pose some difficulties. Although rates of 450-500 (per 100,000) have been recorded pre-1999, only an estimated 40% of births were attended by trained personnel such as health professionals and traditional midwives during the Indonesian period. Therefore it could be possible that actual maternal mortality was higher than these figures suggest. In addition, as currently only an estimated 20% of births are attended by trained personnel¹, there are many different estimates of current maternal mortality rates, ranging from 300 through 500 to as high as 850.

Health indicator	East Timor rate (Year)	Indonesian rate (Year)	Global Goal	Country of similar level as ET ²
Life expectancy	50 (in 1995)	65.1 (1995-2000)	By 2000: 60 yrs By 2005: 70 yrs By 2015: 75 yrs+	Congo (Dem. Rep) Eritrea
Infant mortality rate (death 0-< 1yr olds per 1000 live births)	85 (estimated range 70-90 in 1999) ³	40 (1998)	By 2000: reduce by 1/3 the 1990 level By 2015: 35	Bhutan
Under 5 Mortality Rates (death 0-< 5yrs per 1000 live births)	124 (1997)	70 (average 1987-1997)	By 2000: 70 By 2015: 45	Guinea Congo (Dem. Rep)
Pre-1999 Maternal Mortality Rate (maternal deaths per 100,000 births)	reported as 450-500	420 (in 1998)	By 2000: half 1990 level By 2015: half 2000 level	Cambodia (470), Madagascar (490)
Current Maternal Mortality Rate (estimated)	Estimates Range from 300 to 500 to 850			Chad (830) Guinea-Bissau (910)

¹ WHO estimates

² Source: Human Development Report 2000

³ There is no definitive IMR for East Timor. 85 is generally considered the most reliable figure. However estimates range from 70 to 90.

East Timor has very high incidences of tuberculosis, malaria, and upper and lower respiratory tract infections. Malaria is endemic in all districts with high morbidity and mortality in children. The high prevalence of tuberculosis and related deaths is of major concern to the public health authorities and clinicians alike. There are an estimated 8,000 active cases of tuberculosis nationally, and a prevalence rate of about 900 per 100,000. More than 2,000 patients were under treatment as of the end of June and of these, approximately 30% were under the age of 15⁴.

A communicable disease surveillance system was set up at the end of September 1999 based on weekly health reports from the districts. Given the destruction of all laboratory facilities in the country following the post-referendum violence, this surveillance system is based entirely on clinical reporting criteria. This emergency-based system will eventually be replaced by a regular public health surveillance system.

According to the system, the major causes of illness and morbidity recorded were upper respiratory tract infections, suspected malaria, lower respiratory tract infections, and simple diarrhoea, in that order. Major causes of death were suspected malaria, lower respiratory tract infections, and simple diarrhoea. However, under this system only deaths that come to the notice of clinic health workers are recorded. Some deaths may go unrecorded and the actual number of deaths may therefore be higher than suggested by these data.

The data of the communicable disease surveillance system from the end of September 1999 to early September 2000, 50 weeks in total, is summarised below. This also gives a picture of the load on the public health system, with 663,960 individual consultations⁵ having taken place in the period of just under one year.

Disease	No. of cases	No. of deaths
Bloody Diarrhoea	5,473	8
Watery Diarrhoea	31,238	21
Suspected Malaria	133,751	110
Acute Febrile Illness	15,549	22
Suspected Cholera (<i>none proven on further investigation</i>)	287	0
Neonatal Tetanus	14	1
Acute Flaccid Paralysis (<i>no polio virus isolated</i>)	26	0
Suspected Meningitis	369	12
Acute Jaundice Syndrome (<i>possible indication of Hepatitis</i>)	357	0
Upper Respiratory Tract Infection	162,026	41
Lower Respiratory Tract Infection	43,381	67
Measles	1,392	0
Total number of consultations: 663,960		

Source: *Weekly Epidemiological Bulletin, WHO East Timor*

Diagram B (see Annex 3) summarises the problem of poor health and the inter-related nature of the problems.

Causes of Poor Health: Indonesian period

The health system was highly centralized, under-funded, with little attention to quality. Although there were more than an adequate number of buildings, funding for staff, supplies and maintenance was insufficient. A district typically had 5-6 Community Health Centres, each serving around 10,000 people, and 9 of the 13 districts had a district hospitals. In addition, there were sub-centres at village

An inefficient, highly centralised health system that did not perform well.

⁴ East Timor Health Sector Situation Report, WHO, July 2000

⁵ This figure refers to consultations, not individuals e.g. the same individual may seek 4 consultations.

Low knowledge of health and nutritional issues

level, mobile services and community midwives. Alongside the government health system, private Catholic Church facilities and traditional medicine were also relied on widely. People had little say in the nature of the health services they received. The majority of the 3,500 health personnel were Indonesians.⁶ The top-down approach, combined with linguistic barriers, meant that patients were provided with very little information.

A World Bank report⁷ indicated the following short-comings of the Indonesian health system in East Timor:

- centralized system was not responsive to local people's needs
- non- sustainable health system
- staff absenteeism was a serious problem
- inadequate quality assurance systems and regulatory framework
- health information system was inadequate for planning or evaluation of the health services

Nutritional practices, including weaning practices may contribute to poor health, particularly in children. For example, WFP/FAO nutritional surveys⁸ found that mothers in some areas almost exclusively feed rice/maize porridge to children from weaning until the age of six.

Poor water and sanitation

Less than half (48%) of all households had access to clean water and only 38% to sanitation. The reasons for this are further explained in section four below.

High maternal mortality rates

Promotion of family planning was a core element in the health system, as it was in other parts of Indonesia. This was a controversial issue in East Timor where the Catholic Church has a major influence and where the promotion of family planning was seen by some as part of a "Javanisation" policy. A 1997 survey indicated that 25% of married women used a modern method of contraception⁹.

Impact of the Crisis on Health

The already low health status of East Timorese was further weakened by the destruction and terror of September 1999.

Massive destruction of the government health care system

Some 77% of health facilities were damaged, senior staff at all levels were lost and virtually all consumables and equipment were looted or destroyed in the post-ballot violence. This caused a breakdown of the health system. East Timor was left with only 20 of the 135 doctors working in the country before. Fortunately, 80 percent of the nurses and midwives were East Timorese and remained in the country.

A huge effort is needed to put all the infrastructure and facilities back on track. There is an acute dearth of doctors, a problem which will take some time to resolve as a minimum of 6-7 years training is needed. Serious thought is being given to redefine the roles and responsibilities of nurses and auxiliary staff, who could possibly provide basic diagnostic, curative and preventive advice to patients at village and sub-district levels.

The situation of laboratory and other diagnostic facilities is also bleak, as can be gauged from the fact that there is only one trained X-ray technician in the whole country. This has serious implications for the diagnostic capability of the five

⁶ JAM, November 1999, annex 9.

⁷ Health Sector Framework, World Bank, June 2000.

⁸ Special Report:FAO/WFP Crop and Food Supply Assessment Mission to East Timor, April 19, 2000.

⁹ Demographic and Health Survey 1997, Central Bureau of Statistics, Indonesia, October. 1998.

referral hospitals in the country. Current capacity of laboratory services in these hospitals is limited to very basic examinations (e.g. malaria microscopy). There is an urgent need to strengthen capacity of the Central Laboratory to fulfill its role as a reference laboratory through renovation, upgrading of facilities and training of staff.

With the collapse of the government health care system, international NGOs became the main service providers. In January 2000, there were 15 International NGOs, six local NGOs, 23 Church organizations, four military, and two private health providers in East Timor.¹⁰ Under the coordination of the Division of Health Services, originally called the Interim Health Authority, health NGOs work on a district basis, with specific NGOs covering specific districts, so as to ensure appropriate coverage. However, each NGO has its own personnel, approach, budget and drug supply systems. Many receive support through humanitarian and emergency relief funds, most of which will be ending in the near future. With their ultimate withdrawal, there is a need to ensure good transitional and exit strategies. There is still a lack of East Timorese staff to move into managerial and supervisory positions.

Heavy reliance on donors and NGOs for health service delivery

Challenges in the Post-Crisis period

There is little reliable data available to health planners. Records were burnt during the post-ballot period and much of the Indonesian data are considered unreliable and often contradictory. Gender disaggregated data are scarce, as are district data. International NGOs and national NGOs and others have undertaken studies in the post-ballot period. However, these have tended to cover only part of the country and often oriented towards the specific information needs of the organization concerned. There is great difficulty determining the current population figures due to the movement of displaced persons and refugees. Without reliable population figures, other critical indicators such as the maternal mortality rate and infant mortality rate are difficult to determine.

Overcrowding and poor hygiene, caused by destruction of many houses and the already poor water and sanitation infrastructure and services, can lead to an increase in communicable diseases, such as tuberculosis and diarrhea and acute respiratory diseases in children. There is also the risk of increased rates of malaria, dengue fever and Japanese encephalitis, due to the absence of screened accommodation, limited distribution of malaria nets, drainage problems, and absence of adequate vector control activities.

Possible increase in diseases

Although data does not exist, it is assumed the current rates of HIV/AIDS are low.¹¹ However, as the first assessment of the HIV/AIDS¹² situation in East Timor points out there exists a worrying combination of factors that could contribute to increased prevalence in East Timor. These factors may include:

- Low levels of awareness of HIV/AIDS and Sexually Transmitted Diseases;¹³
- Lack of awareness raising activities, prevention or care;
- Economic need leading to a possible increased activity of male and female sex workers;
- Large number of young, predominantly male expatriates, some of whom receive no HIV/AIDS/STD briefings;

HIV/AIDS

¹⁰ Joint Working Group on Health Services: Review of Health Care Provision in Timor Loro Sae, January 2000

¹¹ There have only been two reported cases of possible death from AIDS in East Timor: One East Timorese and one foreigner, who both tested positive for HIV, subsequently died. Source: UN Inter-Agency HIV/AIDS/STI Assessment Mission, July 2000

¹² UN Inter-Agency HIV/AIDS/STI Assessment Mission, July 2000

¹³ According to the Indonesian Demographic and Health Survey of 1997, only 25% of East Timorese women who are/were married had heard of AIDS. Of those who had heard of AIDS, 86% said that they had not changed their sexual behaviour after hearing about the disease and 92% felt they had no risk of getting AIDS.

- Cultural constraints related to use of condoms, and women having little or no say in their sexual relationships;
- Domestic violence, incest, and the systematic use of rape by militia and Indonesian military;
- Frustrated youth, due to breakdown of educational, sports and recreational opportunities.

The report also identified certain particularly vulnerable groups for HIV/AIDS who should be the focus of specifically designed awareness raising and prevention activities as they could possibly be at increased risk of HIV and STDs¹⁴. These groups include:

- Students returning to full-time studies in Indonesia;
- Mobile populations (seafarers, traders, expatriate workers);
- Military, police and border guards;
- Young men/women working in entertainment establishments;
- Young women/men working as formal and informal sex workers;
- Clients of sex workers.

Lack of preventative services, participatory approaches

Given the emergency and rehabilitation nature of current health delivery in East Timor, it is not surprising that few preventive services and information have been provided to the population. Local people tend not to participate in decisions about the health care system. Health promotion has not been a priority until now, further reinforcing the already low level of health knowledge in communities.

Weak services at the community level

The geography, isolated nature of certain villages, and need for a sustainable health system, make accessibility to health services, even mobile clinics, more challenging. The following personal account from a village member in Suco Coleate Leotelo illustrates how, despite tremendous efforts by Timorese and international health providers, access remains a problem.

Doctor's visit to Coliate, Suco Coleate Leotelo, 20 July 2000

"Some 500 people of the surrounding villages of Suco Coleate Leotelo walked up to 15 kilometres, to see the doctor and two Timorese nurses for their one day visit. It was the first time a doctor had come to Suco Coleate Leotelo region, since before the Referendum (August 1999). They worked all day, until 7pm, but only had time to attend to about 200 people. The doctor did a very good job with those he had time to see. He gave medicines and vitamins to those he saw. But hundreds of people had to walk many miles home, for nothing. When you already don't get enough to eat, and are sick, it is a great pain to have to walk so far. "

Source: excerpts taken from Nutritional report Suco Coleate

¹⁴ This is an assumption based on patterns in other countries. There is no specific data regarding any of these groups.

Key issues and Opportunities for the Future

Despite the various challenges, there are important opportunities and progress being made. An Interim Health Authority (IHA) was formed in February 2000, consisting of 16 East Timorese and seven international UNTAET staff. The IHA was the basis of the Division of Health Services created in August 2000, and is widely seen as the most successful branch of ETTA. The Division receives technical support from WHO.

Sector-wide Health Rehabilitation and Development Program, has been developed for 2000-2002, with the support of the World Bank, UN Agencies, donors, INGOs and other stakeholders. The two main components are:

- 1) *restoring access to basic services*
 - service provision including accelerating high priority services such as TB control program, immunization services for women and children, health promotion; defining a basic package of health services for the transition; developing essential drug list, guidelines, and pharmaceutical logistics; providing essential hospital care, laboratory and key specialized services; providing staff support
 - rehabilitation and equipping of health centers, including repairs, construction, equipment, transportation and communication, small grant scheme for community participation, capacity building
 - hospital services
- 2) *health policy and system development*
 - studies, surveys and technical assistance to provide policy options, followed by piloting of new policies; baseline demographic, health and nutritional survey; stakeholder consultation, evaluation of pilot policies and consensus building; health regulation and legislation, dissemination
 - health system design and implementation plan
 - human resource development including formal training, capacity building, on-the-job training.

The Transitional Administration has removed fees formerly associated with public clinics. This pro-poor policy serves to increase access by all groups, but may be further reviewed in policy discussions concerning sustainable long-term financing of the health system.

East Timor is now in a position to pilot new initiatives, learn best practices from other countries, and better integrate cross-cutting issues such as gender, human rights and sustainability. A health policy framework is being developed and will include the role of government in financing, regulation and provision of health services, definition of a package of basic health services (i.e., what should be included, and to what population groups), health promotion, financing options, including the role of the private sector and issues of equity, cost-effectiveness and quality.

The sector-wide health programme takes into account the major issues for the coming years. In addition, it is clear from an analysis of the situation that priority has to be given to improving the health of women and children and meeting the objectives set at the Global Conferences. A human rights based approach to this

sector would stress that new health policies should promote a system that is pro-poor, participatory, gender balanced and accessible.

Basic Education

This section looks at basic education, i.e. primary and secondary education. Tertiary education is discussed in Chapter 7.

The Right to Education

The universal right to education is guaranteed in many Conventions including: Articles 13 and 14 of the International Covenant on Economic, Social and Cultural Rights; Article 26 of the Universal Declaration of Human Rights, Article 28 of the Convention on the Rights of the Child; and CEDAW. The emphasis is on the right to free and compulsory primary education for all, the responsibility of States to make secondary education, including vocational training available, provide financial assistance in case of need, take actions to reduce drop-out rates, and ensure that education promotes understanding and respect for human rights and fundamental freedoms. The East Timorese Magna Carta also states that people have a right to education.

Indications of Low Level and Quality of Education

The key indicators in basic education demonstrate poor quality and low access to education, particularly beyond the primary level. East Timor lagged behind the Indonesian rates in almost all cases although there was a large increase in access over the years.

Education indicator	East Timor rate (Year)	Indonesian rate (Year)	Global Goal	Country of similar level as ET
Net Enrolment Ratio- Primary education (ratio of children of appropriate age who attend primary school)	83 M/F 81 F, 84 M, (1997) 70 M/F 71 M, 69 F	97 M/F 99 M, 94F (1998)	100% for boys and girls, as soon as possible, and no later than 2015	Togo (82.3) Mongolia (85.1) Laos (73) Average for SE Asia and Pacific is 97
Net Enrolment Ratio - Secondary (Junior and Senior) education	39 M/F same M and F (1998)	42 M/F 45 M, 39 F (1998)	Increase access to secondary school. By 2005, there should be no gender gap	Cambodia (39) Eritrea (39)
Adult literacy rate (those over 15 years)	47% M/F 54% m, 40% F	88% 84%F, 93% F	By 2000, half the 1990 level, with emphasis on female literacy.	Laos (46%) Burundi (46%) Haiti (48%)
Repetition rate- primary school (% of students who repeat a grade)	14% M/F, 15% F, 13% M	6% M/F	n.a.	n.a.

The high repetition rates indicate the poor quality of the education system. For grade one students, 21% or 1 in 5 repeated in 1997¹⁵. As a result, there were four times as many pupils in grade one as compared to grade six. Students dropping out before grade four, do not retain basic numeracy and literacy skills. Diagram C (see Annex 3) identifies some of the key causes of the poor quality and low levels of education in East Timor.

¹⁵ Education for All The Year 2000 Assessment, Ministry of National Education, Indonesia, 1999

Education in East Timor involved pre-school (2 years), primary schools (6 years), junior secondary education (3 years), secondary and vocational education (3 years), polytechnic and university education. Diagram C shows the main causes of poor quality and inequitable access to education.

Causes of Low-Level Education: Indonesian Period

The Indonesian government built many schools, and dramatically increased the number of students over time, but put little money into teachers salaries, teaching materials, supplies, and maintenance. Through in-migration of non-Timorese teachers and increasing access to education, the education system provided a means to integrate young East Timorese into the Indonesian nation state and increase control.

Improved access to education but not quality orientated

Access to education⁶	1975	1999
Number of primary schools/number of children attending	47 primary schools 10,500 students	788 primary schools 167,181 students
Number of junior secondary schools/ number of children attending	2 junior secondary schools 315 students	114 junior secondary schools 32,197 students
Number of senior secondary schools/number attending	none	54 senior secondary schools 18,973 students

Children of poor, uneducated, farm families were the least likely to attend school. Whereas 96% of children 7-18 years old from well-off households in East Timor attended school, only 70% of poor households did, irrespective of gender.¹⁷ Lack of motivation and interest in schooling on the part of students and parents was another contributing factor to low participation.

Urban children were more likely to attend school than rural children. In Dili, 94% of children attended school in 1998/99. Certain districts had very low levels of attendance: 55% (53% boys, 58% girls) in Ermera; 58% (59% boys, 58% girls) in Ainaro, and 71% (73% boys and 69% girls) in Ambeno/Oecussi. The gender gaps of most rural areas tended to be from 1-5% with the exceptions of Manufahi (81% boys, 68% girls), Manatuto (83% boys, 92% girls) and Aileu (79% boys and 68% girls).¹⁸

Poverty and low motivation major causes of poor school performance

For poor families, opportunity costs associated with education were high. East Timor's labour intensive, subsistence agriculture systems relied on children's contributions to family farms. Boys often took on work when their parents did not have jobs or in female-headed households. Poor children fell sick more often, and had to take on additional work or family responsibilities.

The direct costs of education also limited poor children's access to schooling. Every child had to purchase compulsory school uniforms, textbooks, pencils, writing books, in addition to paying school fees, exam fees, and in some cases transportation costs to the school.

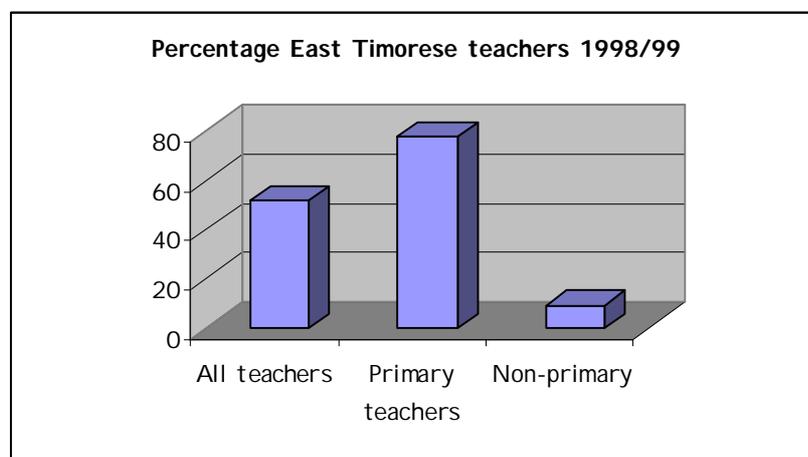
¹⁶ JAM, page 8

¹⁷ Ibid, pg. 95

¹⁸ SUSENAS98, as quoted in FAFO report, pg. 96

Poorly skilled teachers, upper levels non-East Timorese

Teaching was considered a low rank career and wages were low. Very few teachers had received any training. In 1997 only 3% were qualified/certified to teach, compared to 20% for Indonesia as a whole¹⁹. East Timorese teachers tended to teach primary school, which was a male dominated profession, with only 36% female teachers in 1997. The table below shows that only 9% of non-primary teachers were East Timorese.



Source: Sousa (1999), BPS (1997), and BPS (1996) as quoted in FAFO Report 1999.

Poor classrooms

Classrooms had the bare minimum: benches, tables and a blackboard, usually no electricity. In crowded classrooms, two children often shared a chair and many crowded onto a bench. Classroom sizes were commonly 60 for primary school and 40 for secondary.²⁰ The classroom had almost no teaching aids such as resource books, charts, posters.

Top-down approach, inappropriate curriculum

Rote learning characterized the approach to schooling. Most of the lesson time was spent writing on or copying from the blackboard. Typically, the teacher was the only one with a textbook, so children got no regular practice reading. Teachers focused on exam preparation and the environment did not develop pupils interest in learning.²¹ The curriculum was centralized for all 40 million students, and its focus on nation building and the Javanese struggle for freedom was alienating for the East Timorese students. The language of instruction was Indonesian, with the exception of the first three years when students were allowed to speak their local language.

Limited early childhood education

Two years of non-obligatory pre-school education was available to 4-6 year olds. The pre-schools and kindergardens tended to be run by the Catholic Church. In 1997, the gross enrolment ratio for pre-schools was 7.8%, with no gender differential.²²

High illiteracy

The high rate of illiteracy is indicative of the fact that many adults never went to school, and the poor quality of learning. Certain districts had more illiterate people: Viqueque, (62%), Ermera (65%) Ambeno (58%) and Ainaro (55%)²³. Illiterate parents are less likely to send their children to school. The chart below indicates how literacy has decreased over the last six years, but gender differentials remain the same.

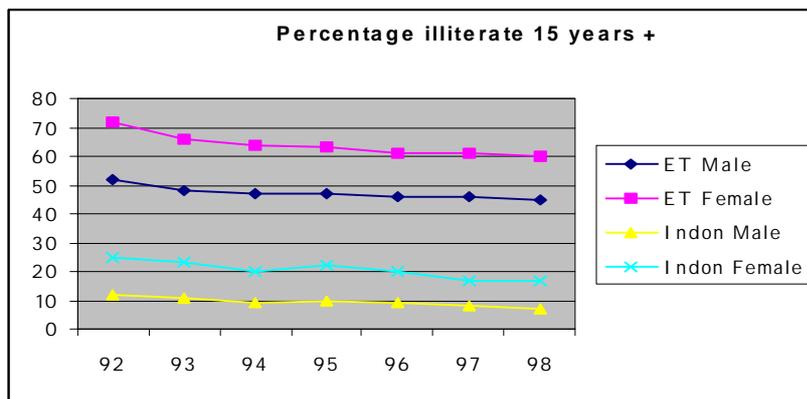
¹⁹ Education for All The Year 2000 Assessment, Ministry of National Education, Indonesia, 1999

²⁰ *ibid*, Timor Aid website

²¹ "Problems with Indonesian schooling in East Timor: why East Timorese students do not succeed", Timor Aid, website, 2000

²² Education For All: The Year 2000 Assessment, Ministry of National Education, Indonesia, 1999

²³ JAM, 1999



ET = East Timorese, Indon= Indonesian

Source: EFA The Year 2000 Assessment, Ministry of National Education, Indonesia, 1999

Impact of the Crisis on Education

Estimates suggest that 95% of schools and other education institutions were destroyed.²⁴ School furniture was looted and teaching materials burned. Students and parents became refugees. In the exodus of non-Timorese, more than 20% of primary teachers, over 90% of secondary school teachers, and virtually all senior administrative staff fled with no intention of returning.²⁵ The country was left with a mere 230 secondary and vocational teachers.²⁶ Engineering reports suggest that almost half of all schools need to be rebuilt entirely. As 75% of the population became refugees, or fled to the mountains, the school year was disrupted.

The Current Situation

Despite the devastation, there is a tremendous energy and enthusiasm towards building an East Timorese education system. With the support of WFP and UNICEF, schools are being rebuilt through food-for-work and teacher stipends. With the influx of East Timorese volunteer teachers, numbers have soared to over 6,965 primary teachers, well surpassing the 1998/9 number of East Timorese primary school teachers. This has created a crisis of expectations, as the budget can finance only 3,000 teachers in all. In May 2000, teacher testing was administered in order to select teachers to fill the quota of 3000 primary teachers (with the possibility of an increase of around 900) established in the budget.

Many volunteers but few trained teachers

Given the shortage of trained teachers, teacher training is a most pressing issue. Strategies discussed to date include hiring university graduates to become teachers, bringing in foreign teachers from Malaysia and elsewhere, and training volunteers. ETTA has announced that a basic training course of about five to six weeks will be provided to university students who are accepted to be trained as secondary school teachers.²⁷

In the period December 99 to July 2000, more primary students attended school than before the crisis, even though there were fewer schools operating. Some 170,821 students attended 760 primary "schools", which were often open spaces or burned out buildings, compared to 167,181 attending 788 in 1999.²⁸ District data indicates that in the same period, 28,722 secondary students attended classes (20,011 junior secondary and 8711 senior secondary students)²⁹, compared to 51,170 in 1999, or 60%.

More children at school, less teachers

²⁴ JAM, 1999

²⁵ EFA 2000, Indonesian Government, 1999

²⁶ There were 2,307 combined junior secondary, senior secondary and vocational teachers from outside East Timore, compared to 230 East Timorese.

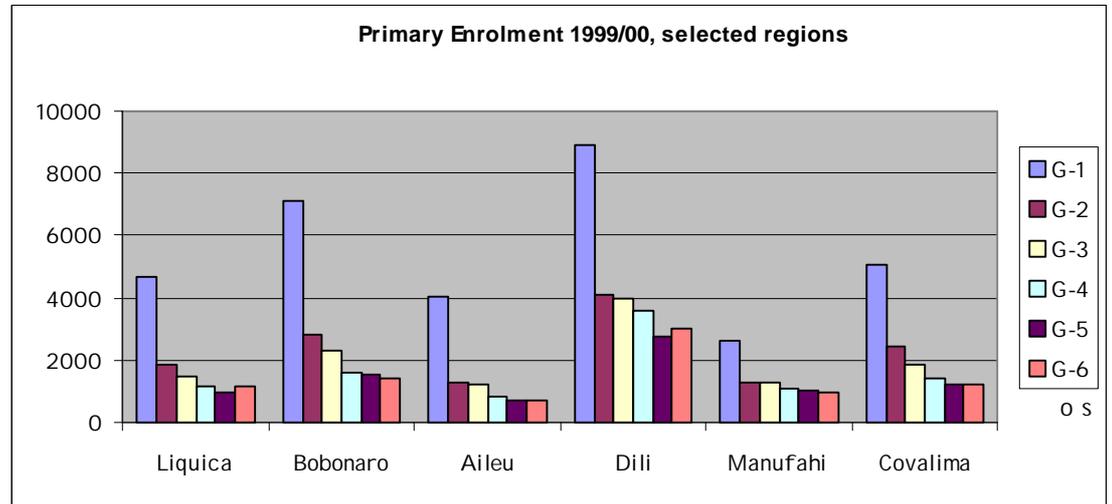
²⁷ Briefing notes from UNTAET, 24 July 2000

²⁸ Primary School Registration, July 2000, UNICEF-East Timor office, Fafo

²⁹ District Education Officers/CNRT (Planning Section for Secondary Schools), July 30, 2000

The limits imposed on numbers of primary and secondary teachers will increase classroom size further. To illustrate this point, Dili district was allocated 469 Primary School teaching positions. This implies that the student to teacher ratio will be approximately 57:1.

There has been an extremely high number of grade one students enrolled in 2000, varying from 6-12 years of age. In most districts, grade one students represented between 33% to 42% of all primary school students in 1999/2000.



Primary School Registration, July 2000, UNICEF-East Timor

There appear to be numerous reasons for this such as:

- the removal of school fees and uniforms has made education more accessible;
- as the education system is now in the hands of the new nation, students and parents are more enthusiastic to learn than when education was part of the Indonesian system;
- school feeding programs have encouraged students to come to class;
- there is a high rate of both drop-outs and repetition in East Timor, and many students repeat grade one.

As many students enrolled in 2000 will likely repeat the year, combined with the new cohort entering (those children turning six by October 2000), the anticipated enrollment for grade one in the year 2000-2001 will be double an already high level. Grade one teachers will be required to manage a variety of age and maturity levels in large classroom sizes. As this large number of grade one students move on through higher grades in primary school, class sizes will continue to be large, and teachers at other levels of primary school will also need to deal with a multi-aged setting. Additional classrooms for grade one may need to be created to accommodate this situation.

At the primary and post-primary school level, girls attend school at more or less the same rate as boys, which had also been the case before the crisis. Of the six

districts, Liquica, Bobonaro, Aileu, Dili, Manufahi, Covalima, where gender disaggregated information was available for primary schools, Dili had gender equity (50-50), and Aileu had the lowest with 46% girls. No gender disaggregated data was available for secondary school student enrolment in the post-ballot period, but traditionally girls in East Timor have enrolled in more or less the same numbers as boys for secondary school education.

Almost equal access for girls to primary/ post-primary education

Women are poorly represented in the teaching profession at all levels. Gender disaggregated information was only available for six of the 13 districts in July 2000. This data indicates that only 30% of primary teachers were women, a decrease from 36% in 1997. Dili was the only district with more female teachers than male. If Dili is excluded, the gender gap is greater, with only 21% female teachers. Likewise, secondary school teaching remains male dominated as only 23% of all secondary teachers are women.

Few women teachers

Attention to date has focused on primary education, and as a result secondary school education has been somewhat neglected. One of the major problems in this area is the enormous lack of trained East Timorese secondary teachers. Only 6% of junior and secondary school teachers were East Timorese in 1998/99, or a total of 207 people. Virtually all the 3,300 non-Timorese secondary teachers fled during the post-ballot period.

Early childhood education is now recognised as an important part of education. The CNRT estimates that there are about 2,000 children in 23 pre-schools, 102 teachers and 33 classrooms as of July 2000. This represents about 10% of those aged 0-6 years. The average classroom size is 50. In 90% of the schools there are no learning materials or toys and children tend to sit on the floor in run down buildings.³⁰

Early childhood education

Consequences of Low Quality and Inequitable access to Basic Education

The effects of low education levels are serious both in terms of the impact on individuals and on the country as a whole. Consequences of low levels of education at the individual and household level include:

- few job opportunities, and lower paying jobs (for example, in 1998, those with no education had mean hourly rates 40% lower than those who had completed Junior Secondary);
- illiterate mothers who are more likely to have increased levels of ill-health and increased mortality of their children;
- children who are more vulnerable to exploitation, delinquency, and low self-esteem;
- uneducated children become parents who are unlikely to educate their children.

Consequences of low levels of education at the national level:

- fewer qualified East Timorese available to assume management responsibilities in civil service and private sector organizations;
- hindered efforts to ensure gender equity, as a lower percentage of women are trained and qualified for management positions;
- lower income levels and low purchasing power, which slows economic growth.

³⁰ Pre-School Development Program for East Timor, "Reconstruction and Set Up of 23 Pre-Schools" , UNTAET, July 2000.

Key Issues and Opportunities in Basic Education

Despite the numerous problems and underlying causes, there are certain opportunities and initiatives being launched that could contribute to more equitable, quality education. The enthusiasm associated with an education system “freed” from the Indonesian rule is something to be built upon. Some opportunities include:

- by dismantling of the Indonesian education system; provides opportunity to make informed decisions regarding educational policies and curriculum design that suit the needs and reflect the culture and values of East Timor;
- ETTA's introduction of pro-poor policies such as the removal of school fees, exam fees, and the withdrawal of required uniforms;
- Certain districts have adapted the school year to the harvesting cycle to reduce drop-out rates of children of farm families;
- School feeding programs to reduce hunger and to attract children to schools, particularly girls in order to reduce the illiteracy rate;
- Planned social mobilization activities which will help increase poor families commitment to schooling;
- Future involvement of school/community councils in the management of school rehabilitation.

A sector-wide framework has been developed focused mainly on the rehabilitation of educational infrastructure. A three-year phased approach has been launched to revitalize the school system by bringing schools first to a “basic operational level”, with clean, safe, covered schools with basic furniture, teaching materials, including teachers and principals with basic training. Later stages will upgrade so that eventually schools achieve an “enhanced quality level” with involvement of parents, teachers and community members in decision-making regarding improvements to schools. Throughout all phases, policy development and capacity-building activities will also take place.

It is clear that given capacity and budgetary considerations not all of the issues mentioned in this section could be tackled in the coming years. Efforts to date have been focused largely on rehabilitation of educational infrastructure, primary education, school feeding, stipends for teachers and provision of basic supplies. Increasing access to education from disadvantaged groups such as rural farm families and children of female headed families, vulnerable groups will need special attention. Policy development should be guided by a human rights approach which values the rights of women and children and a pro-poor framework.

The following gaps are emerging in the education sector and need attention in the coming years:

- **Teacher training** ~ there is both a real shortage of teachers, particularly beyond the primary level, and a shortage of trained teachers as only 3% of past teachers have ever been trained. Lessons learned from other countries have indicated that investment in improving the quality of teachers promotes a learning environment for children and more effective results. Teacher training will also need to ensure that women are encouraged to become teachers, and that the gender gap is narrowed.
- **Secondary education**, including **vocational and technical training** ~ youth need access to education and skills to fully participate in and contribute to the development of the new nation. Neglect of this sector has social consequences such as youth delinquency, unemployment, lower incomes and long-term human resource development problems. Vocational training is particularly needed now given the tremendous reconstruction needs for tradespeople, including carpenters, electricians, mechanics, etc.

- **Early childhood education (ECE)** - very little attention has been given to access to early childhood education. Research indicates that investments in quality ECE activities are very cost-effective as children who attend ECE tend to be more successful in primary school. ECE also had a positive impact on the health of children and parents. Access by female-headed households will be most urgent.
- **Literacy programs for adults**, that aim in particular at reducing female illiteracy and that promote East Timorese values and nation-building.
- **Curriculum design** activities should take into consideration education on human rights, gender roles amongst other issues.
- **Community participation** should be encouraged to increase parental and community involvement and ownership of local schooling.

Water and Sanitation

The Right to Safe Drinking Water and Sanitation

The importance of aiming for universal access to safe drinking water and universal sanitary waste disposal has been stressed by the World Summit for Social Development (Copenhagen 1995), the World Summit for Children (1990), and the UN Conference on Environment and Development (1992). The global target of clean drinking water for all by the year 2025 has been adopted by the international community.

Indications of the Situation

Water and sanitation Indicator	East Timor rate (Year)	Indonesian rate (Year)	Global Goal	Country of similar level as ET
% without access to clean drinking water	52% ³¹ (1998)	27% (1998-same source)	Universal access	Mozambique (54%)
% without access to sanitation	62% ³² (1998)	47% (1998) HDR-2000	Universal access	Central African Republic (73%)

The health consequences of poor water and sanitation are evident in the frequent cases of diarrhea, particularly in children. An assessment done in September 1999 for AusAID concluded that many rural communities did not have access to clean water and that this was a significant contribution to poor health and hygiene conditions in villages.³³

Causes of Poor Access to Water and Sanitation: Indonesian Period

Knowledge, attitudes, and practices regarding water and sanitation indicated a low level of understanding of the importance of safe drinking water and good sanitation for good health. This problem continues today. Participatory surveys conducted by UNICEF³⁴ in 2000, indicated that most rural communities drink water without boiling it. The survey found that of 100 latrines that had been constructed with Government support, only eight were currently being used.

Little knowledge of importance of clean drinking water, good sanitation

Rural water supply and all sanitation services were the responsibility of the Department of Health. Rural water and sanitation received low priority in terms of

³¹ Table 4a, Total Population and % According to whether using clean water infrastructural, by district in East Timor Province, Provincial Statistic Office

³² Dinkes TKI East Timor (Health Profile 1998)

³³ Coffey MPW Ltd, in association with Egis Consulting Australia, Sept. 1999, East Timor Environmental Sanitation and Water Supply Project- Revised Project Design Document. Prepared for AusAID.

³⁴ For survey results contact UNICEF-Dili, Water Environment Sanitation

proportion of the budget, skills and manpower and level of responsibility. Environmental health promoters, called "sanitarians", worked out of the community health centre and were responsible for providing community environmental health training and helping villagers with water and sanitation facilities. Villagers' attitude is reported to be that the operation and maintenance of water supplies was the government's responsibility.

The water supply system was focused on urban areas. Rural and village water supplies were mainly from springs and wells. Coastal communities have problems of salt-water intrusion into the wells. Certain districts had slightly better access to clean drinking water. Those with the best access were Ambeno with 64% and Dili with 59%. Bobonaro and Manufahi had the poorest access, with only 34% and 38% respectively. Given the low purchasing power, households generally do not buy potable water. In 1998, water samples from "clean water" sources were tested in all districts. However, an average of only 56% of the water samples passed bacteriological examinations.³⁵ Water quality was extremely low in Viqueque (22%) and Manututo (25%).

Inequitable access to clean water

Supply of town and urban water was unreliable, the quality was poor and there were consistent maintenance problems. Prior to the crisis there were 62 water systems to serve 13 district towns and 49 of the 63 sub-district towns. Most of the attention was in the urban areas. Even the urban water systems were inequitable. A small number of officials had water connections in their homes, while the majority of people either used public taps or traditional water sources.

According to Indonesian classifications, only Dili's water supply system was financially sustainable, and it had only recently become viable. District water boards were supposed to improve the management of the district town public water systems and operate and maintain the sub-district level public water systems. These were all subsidized by Indonesia's central budget.

Impact of the Crisis on Water and Sanitation

Looting of urban water systems, poisoning of rural water supplies

The water supply and sanitation systems were not spared from destruction during the post-ballot violence. There was widespread looting, burning and damage to town and village water supplies and sanitation. Towns with public water supply systems had pumps, vehicles, motors, water treatment plants, offices, and pipelines stolen or damaged. Tools and spare parts were looted, while storage tanks were ruptured, latrines and septic tanks damaged, and water sources destroyed. In the rural and semi-urban areas destruction was not as extensive, though there are reports of certain wells being poisoned, bodies being dumped in wells, handpumps stolen, pipes removed and spring intakes damaged.

Public works managers fled the country and the facilities were destroyed. The destruction of public health laboratory facilities means that there is now no facility for the testing of water quality. Documentation related to the water and sanitation systems was burned and there is very little information available regarding past operations. The Asian Development Bank estimated the cost of a three-year program of reconstruction and recovery for water supply systems and utilities to be about \$25 million, and \$8 million for drainage and sanitation. ETTA finds it difficult to find and attract qualified East Timorese for management positions in water and sanitation services. There are still 75 "sanitarians" available. They have created the East Timorese Sanitarian Association. Of these, more than 30% are currently working with the international community and NGOs, and have become the de facto counterparts.

³⁵ Table 4C Number and % of Clean Water Samples Meeting the physical, chemical and bacteriological requirements by district, East Timor Province, 1998, Provincial PKL

Challenges in the Post-Conflict Period

By May 2000, piped water systems had been re-established to a basic level in all 13 district centers. Rural activities have included rehabilitating water supplies, providing hand pumps, cleaning contaminated wells, repairing pipes and tanks, etc. A variety of international and national NGOs are active in the water and sanitation sector³⁶. As this capacity is building, the ETTA Water and Sanitation Service will increasingly take over responsibility for this sector.

Focus on quick, short-term emergency rehabilitation to date

Sanitation coverage remains extremely low. Both solid and liquid waste disposal is inadequate and there is a lack of public latrines.

Poor sanitation

In the urgency to provide services, many reconstruction efforts have been launched with little consideration to issues of sustainability, or consultation with local people. Examples abound in the past of "improved" facilities that became poorly maintained, abandoned, with communities returning to their traditional water supplies. This underlines the importance of using a demand driven approach, involving communities in all aspects of a project and ensuring community ownership. Long-term change in attitudes and practices relating to water use, hygiene and sanitation has proven to be important for improving community health.

In a recent document, the ADB³⁷ has indicated that the following issues/questions are often not being examined:

- What institution will be responsible for managing and operating the new system?
- Are there enough trained persons to run the system?
- How will the system be paid for?
- Are there complementary drainage and sanitation facilities?
- Have communities been involved in designing, constructing or operating the system?
- How will the interventions affect men and women differently?
- What are people's understanding of the health benefits of clean water and appropriate sanitation?

The same document stresses the importance of using appropriate technology to ensure that the water supply system can be maintained. This includes taking into consideration accessibility of spare parts and capacity of communities to undertake maintenance and repairs. Another important lesson is that women should not be seen as a special target group, but rather the role of men and women regarding water should be examined, access and control of resources analysed, and women should be actively involved at all levels of decision-making.

The rehabilitation and development of the water and sanitation sector faces similar constraints as we have seen in other sectors:

- Shortage of trained personnel;
- Shortage of funding for procurement of equipment and materials;
- Slow pace of procurement, due to UN rules/procedures governing procurement for the Transitional Administration.

Bottlenecks

³⁶ some of the main actors include ICRC, CARE, OXFAM, ACF, GTZ, local NGOs Bial Hula, Forte, Hamoris Timor Oan (HTO) and ETSA.

³⁷ East Timor: Strategic Framework for Rehabilitation, Development and Management of the Water and Sanitation Sector, 2000-03, May 2000, Asian Development Bank

Opportunities and Key Issues

The ETTA strategic framework for the sector addresses many of the challenges mentioned above. A Water and Sanitation Service has been established in ETTA, under the Department of Infrastructure, with a staff of six expatriate and 153 national staff. There are an additional 61 national staff employed outside Dili providing maintenance and operational services in District capitals. The sector strategic framework has four components:

- water supply and sanitation management framework to facilitate liaison with actors, co-ordinate donor-funded programs, help organise a comprehensive study and develop a comprehensive project 2000-2003;
- capacity-building and institutional development;
- water supply and sanitation implementation including urgent projects, developing a local quick response facility, town asset mapping, WS Master Plan, Dili WS&S rehabilitation, design and construction, towns WS&S program, district WS&S program;
- environmental Health including immediate interventions, health promotion, Health, WS&S education, NGO development.³⁸

The following is a summary of the key issues in the area of water and sanitation which have been identified:

- Low access to clean water, particularly in rural areas.
- Low understanding of the importance of clean water and sanitation for health.
- Little attention in the past, or during the immediate post-crisis phase to issues of community planning, participation, sustainability or management of WS&S system.
- Very poor levels of sanitation.
- Financing of recurrent costs of future systems will be challenging.
- Potential for gaps and duplication between numerous actors in the sector.
- Need to further strengthen local staff capacity.

Social Services and Safety Nets

Alongside access to basic services, there is also a need to consider general social services and safety nets for sections of the population who may be more vulnerable. These social services should be based on the right of all children and all adults to basic social services, but would pay particular attention to children in especially difficult circumstances, including orphaned or abandoned children, street or working children, children with disabilities, children in prison, and those who may be exploited especially girls. Likewise, attention needs to be paid to prevent discrimination against adults with disabilities. Social safety nets need to be the responsibility of all sectors. An inter-sectoral unit, with a rights based mandate, to serve the needs of the most vulnerable populations, should coordinate both mainstream and special services.

Children in difficult circumstances

³⁸ East Timor: Strategic Framework for Rehabilitation, Development and Management of the Water and Sanitation Sector, 2000-2003, Draft, May 2000

The violence, rape, forced removal, and intimidation of the post-ballot period have left unseen scars on the mental health of many East Timorese. PRADET, a mental health organization, has identified some of the issues in mental health.³⁹ The country has never had a dedicated mental health service, nor have health professionals received any specialist training in mental health. Given the traumatic history of the country and lack of mental health services, it is likely that there are numerous persons with severe mental illnesses that have gone untreated for years. The traditional support structure for mentally ill at the village level was traditional healers and religious organizations. The 1999 crisis and displacement has disrupted these support mechanisms.

Traumatized people

During the Indonesian occupation, many East Timorese women experienced rape and sexual assault. Women were terrorized once again, by the militia and Indonesian troops. Participants of the First Congress of Women of Timor Loro Sae referred to a culture of violence and intolerance that has become deeply imbedded and resorted to in day-to-day interactions. Women survivors of violence are isolated, blamed and shunned by other community members. They are made to feel insignificant, dirty and sinful and often become mentally ill.⁴⁰

Violence against women

Research from WHO states that generally during periods of transition the psychological strain on men unable to fulfill their cultural, societal and domestic roles, can lead to an increase of aggressive and violent behaviour towards their wives and children.⁴¹ In a study conducted by the International Rescue Committee, women referred to being beaten by their husbands, often associated with problems of gambling or alcohol.⁴² The current high rates of unemployment and reduced purchasing power will likely increase frustration and consequently domestic violence.

Areas of Current and Planned Support from the UN Agency System Health

As the needs of the Division of Health Services evolve, and health policies develop, the areas of UN system support may be adapted to ensure they are most suitable and relevant.

WHO will continue its technical advisory and supportive role, in collaboration with other UN Agencies, national and international NGOs, bilateral agencies and active partners in raising the health standards of people of East Timor. It will contribute to the following:

- prevention and control of communicable and non-communicable diseases, reducing the burden of excess mortality, morbidity and disability, especially in poor and marginalized populations;
- health promotion, family and community health focusing on promoting healthy lifestyles and reducing actors of risk to human health arising from environmental, social and behavioural causes;
- health technology and pharmaceuticals, including standard guidelines for laboratory diagnosis, treatment, and management of diseases, essential drug lists, etc;

³⁹ "Brief report on current and future programs in the area of mental health implemented by PRADET, May 30, by Kristina Tang, Tibar Conference, East Timor

⁴⁰ Statement from the First Congress of Women of Timor Loro Sae

⁴¹ WHO, "Violence and health: Gender-based and sexual violence during armed conflict and displacement", Geneva 1997.

⁴² Assessment of Women's Issues in East Timor, International Rescue Committee, May 2000

- human Resources development through technical support to capacity development, HRD policy development, workforce planning, management training and educational planning;
- improving health of the population through an integrated approach, especially avoiding vertical programmes, based on experience from other countries;
- assessment, development, and implementation of plans in the area of water and sanitation, and environmental health field;
- a comprehensive plan for the drafting and adopting of health legislation in certain areas, such as environmental health and sanitation. Initial drafting of policy and legislation in selected areas;
- the development of a constitutional protection of the right of health, including a legislative framework to back it up;
- integration of human rights values into health policy and the promotion of human rights into the drafting process of the policy.

UNICEF will provide support to six areas within the sector-framework on basic health services:

- immunization, including the revival of routine Expanded Immunization Program;
- maternal and reproductive health, through the retraining and support to midwives;
- health education, including the promotion of a healthy lifestyle;
- prevention and care of HIV/AIDS/STI;
- child and maternal nutrition through a focus on micronutrients, particularly IDD, vitamin A, and iron deficiency and by monitoring household food security in collaboration with WFP;
- education and capacity building program aimed at improving household caring practices.

UNFPA will pursue a major strategy for reproductive health services. Some projects will be aimed at reducing the maternal mortality rate by assisting in the development of reproductive health human resources in East Timor and by providing emergency obstetric care for East Timorese women and health services for men.

Education

UNICEF will provide support to the development of an integrated, multi-dimensional development plan for the sector which could include:

- on-going assistance to reconstruction of schools;
- programs and to enable poor families to access pre-primary and primary education;
- training for teachers and school leaders;
- provision of teaching and learning materials;
- development of sustainable approaches to education financing;
- support for the development of a national curriculum;
- support to an integrated educational management information system.

WFP will continue to provide school feeding programmes.

Water and Sanitation

UNICEF will provide the following support in the coming years:

- promotion of hygiene and sanitation, and its importance in disease prevention, in all 13 districts;
- improved access to water and sanitation through training and equipping one man and one woman each from one of 54 villages to become WES “entrepreneurs”, responsible for building components of wells and latrines in their villages and providing them to others; hand pumps, spares, cement, tools and moulds, and training to empower communities to manage their WES resources will be provided;
- improve water and sanitation services in the schools;
- strengthening the capacity of rural water supply and sanitation secretariat at the national and district levels.

UNDP will contribute to the rehabilitation of the Dili and selected district water supply systems and Sanitation (in Dili), along with institutional development in Dili region.

Gender and Development

UNFPA will support:

- Strengthening the National NGO's capacity to advocate gender mainstreaming.
- Programme which deals with violence against women;
- capacity building of ETTA and NGOs to effectively address gender-based violence;
- take part in the review of existing and newly drafted legislation and national policies to increase gender violence responsiveness.

Population and Development

UNFPA will assist ETTA in the assessment of the overall situation of East Timor in respect to conducting of a population census, including operation relating to household numbering, a publicity campaign, enumeration and delineation.

Sustainable Livelihoods and the Environment



This chapter examines both rural and urban livelihoods, and provides an overview of environmental issues facing East Timor.

Global Conferences and Conventions Related to this Area

A number of global conferences in the past decade have dealt with issues relating to social development, food security, women and development and human settlements. Among the recommendations of these conferences were: creating appropriate, adequately remunerated employment; expanding work and self-employment opportunities; encouraging entrepreneurship and the development of small and medium enterprises; and promoting equal participation, treatment and pay for women and men.

Draft UNTAET employment regulations affirm the commitment to the 1998 ILO Declaration on the Fundamental Principles and Rights at Work, which consist of the right to freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labor; the elimination of discrimination in respect of employment and occupation; and the effective abolition of child labour.

In the area of the environment, a number of global conferences were held to agree upon international norms and set common goals for ensuring the sustainable use of natural resources, to reverse the trend of environmental destruction and promote the protection of endangered species and habitats.

Defining Sustainable Livelihood Systems

Any successful poverty reduction activities in East Timor must be firmly rooted in an understanding of how households, both rural and urban, survive and provide for themselves. How do they adapt to changes, crises, or new environments? In order to support the poor in East Timor, the answers to these questions need to be better understood.

Most East Timorese livelihood systems are varied and complex, having had to adapt and diversify in order to meet the many challenges of the country's turbulent

history. While the livelihood systems of men and women, urban and rural people are different, they all rely on having access to certain key assets. These include:

- natural assets, such as their land, forest, water, sea;
- human assets including their traditional knowledge, formal schooling, skills, health;
- physical assets such as, transportation, shelter, water and sanitation, energy;
- economic assets like credit, savings, jobs; and
- support provided by the social structure and family, community organizations, and other networks.

Livelihoods are sustainable when they can cope with stresses and shocks such as civil unrest, drought, or economic crises; when they are ecologically sound and do not irreversibly degrade the environment; and when they are socially equitable, so that one group or gender is not marginalized by the activities or basis of another's livelihood system.

Rural Livelihoods

The majority (90%) of East Timorese live in the rural areas¹ and agriculture provides the livelihood for almost three-quarters of the workforce, with about 60% of all rural households also engaged in animal husbandry prior to the crisis.² The overwhelming majority of the rural population are engaged in subsistence agriculture. Population density in East Timor is relatively low, at 53 people per square kilometer. There are about 442 villages in the 13 districts and 63 sub-districts of East Timor. The average village has 1,400 inhabitants, but some can have as few as 200.

Prior to the Crisis

Although affected by the events of September 1999, and by the changes brought about by the vote for independence, the rural sector, as the least modern sector of the economy, has not seen the same amount of changes to be found elsewhere in East Timor. Put simply, the rural poor continue to eke out a living in much the same manner as before, albeit in a radically changed political and economic environment.

In common with many poor households globally, the strategy for poor rural households in East Timor has been to develop multi-faceted livelihood systems that enable households to reduce their vulnerability, rather than the more risky strategy of trying to maximize incomes.

The majority of rural farm households practice subsistence oriented agriculture, based on low use of inputs and resulting in low yields. Any one household can be involved in three or more production systems. An FAO study has identified many traditional farming systems consisting of the following:

- Shifting slash and burn cultivation of rain-fed crops, mainly maize;
- Cultivation of rain-fed or irrigated rice in terraces on the hills or in perimeters on the lowlands;
- Extensive harvesting of smallholder plots of tree crops, coffee on the highlands, coconut on some lowlands;
- House gardens with rainfed crops such as maize, cassava, beans, vegetables;

A multi-faceted livelihood system, with a stress on avoidance of risk

¹ These were the figures prior to 2000. Since then, there has been significant migration to Dili. However East Timor still remains a predominately rural and non-urbanised country

² FAO/WFP Crop and Food Supply Assessment Mission to East Timor, April 2000

- Use or rental of buffaloes to prepare the land for rice planting;
- Raising small number of livestock such as water buffalo, cattle, horses, pigs, goats, sheep, chickens and ducks, mainly for income, not consumption;
- Harvesting of forest products like tamarind, candlenut, fuelwood, sandalwood, and standby/starvation food of sago, and yams etc;
- Fishing for supplemental needs in inland areas, and as the main source of income for coastal areas;
- Fruits providing complementary sources of income and diet.

The agricultural cycle begins in November with maize, and December/January for rice. Maize is harvested in April, while wet rice is harvested in May/June. In the south, where the rainy season lasts longer, a second crop is grown, though it is of lesser importance. Traditional varieties of maize adapted to local conditions were mainly used. These local varieties reduced risks from potential losses, but had low yields. Rice and coffee were important sources of income. However, it appears that rice production has decreased in recent years. East Timorese farmers were adversely affected by the El Nino drought. Production levels of most crops fell by 30 - 40%. Even prior to the drought, average yields per hectare of most crops were consistently much lower than the Indonesian average.³

The local livestock breeds did not reproduce at a high level, but were selected because of their ability to survive under difficult conditions, including under-nutrition and exposure to various diseases. Livestock are fed crop residues and scavenge on common land or wasteland. They were generally underfed and poorly tended. There is a low understanding of the benefits of disease control, and virtually no access to vaccines or drugs.⁴

Coffee has been an important source of income both for smallholders who had their own coffee production, and for those who worked on large coffee estates run by Portuguese and Indonesian companies. The districts of Ermera, Ainaro, Manufahi and Liquica are the main coffee producing areas. Coffee is *shade-grown*, with little or no use of pesticides and fertilizer, and without pruning or maintenance. This organically grown coffee has the potential to fetch among the highest prices for coffee in the world market. An estimated 40,000 farm families depend on coffee, of whom 25,000 derive a substantial income and 15,000 a minor income. The Portuguese and Indonesian large coffee estates covered about 20,000 hectares, and provided a source of cash income to rural employees.⁵

While coffee was the major export crop, other cash crops were grown for the local market, providing an important source of income for farmers. Aileu, Bobonaro, and Covalima were the three districts most reliant on non-coffee cash crops. Chief among these were kidney beans, mung beans, cabbage, peanuts and soybeans.

Other sources of rural cash income came from petty trade, particularly of fruit and vegetables, but also from palm wine, fuelwood, salt, crafts, eggs, palm wood for building walls of houses, coconuts and copra. Food crops were bought and sold between different regions in the country. Many sales were to Dili by the food producing districts of Bobonaro, Covalima, Manufahi, Viqueque, Manatuto, Baucau

³ WFP VAM Unit data, (based on Susenas 1999)

⁴ FAO Mission Report on Livestock Sector in East Timor, April 2000 (Joint Donor Mission Agriculture Sector Rehabilitation Strategy)

⁵ The Transition of a Small War Torn Economy into a New Nation: Economic Reconstruction of East Timor, by Joao Mariano Saldanha, March 2000

Coffee as an important source of rural income

Other sources of rural income

and Oecussi.⁶ Local buyers used to purchase coffee, rice and other export crops from smallholder producers, and then sell it to internal markets. BULOG, the Indonesian National Food Logistics Agency, purchased rice as part of a national strategy to stabilise the price of rice. In recent years, after the Asian financial crisis, the rate paid by BULOG for rice was higher than world market prices.

Some rural livelihoods were reliant on the incomes of civil servants, such as teachers and health workers. These incomes provided demand for rural shopkeepers and kiosk owners.

An important factor in rural development is the availability of small-scale credit. Some credit schemes existed for rural people, with Development Banks in Baucau, Ermera, Los Palos and Ainaro. There were 27 credit unions in 1999, with 5,917 members, of whom 39% were women. An ADB survey on micro-finance found that 56% of survey respondents, of whom, two-thirds were women, had no access to credit, while 20% used moneylenders, 13% credit unions and NGOs, and 11% used banks. Credit was not easily available. Conditions to obtaining credit often included guarantees, having a public service job or a husband with such a job, reference letters, and application forms. Women wishing to obtain credit had to have their husband sign. Other sources of credit included small loans from the Church, which often were not paid back, and small rotating loans based on savings clubs of about five women. Given that women lack major assets, have high rates of illiteracy, and low levels of participation in the public service, rural credit in general was biased towards men and less poor women. Women are those more likely to borrow money from neighbours or others, as men find this shameful.

Availability of credit

There is little information available regarding the gender division of labour in rural farm households. The preliminary analysis below needs to be elaborated upon through field-work.

Gender division of labour

Agricultural Activities	Food and Cash Crops
Clearing and preparation of land, including ploughing	Men
Planting	Women and Men
Weeding	Women
Harvesting	Family
Processing	Women process crops using traditional labour intensive techniques; Men process them using mechanized method
Marketing	Women and Men

Both matrilineal and patrilineal systems exist in East Timor, but land generally is passed on to and controlled by male members of the family. Collection of forest products, hunting, coastal fishing are male-dominated activities, as is housing construction. Women and children are responsible for many of the daily activities such as collecting fuelwood and water, livestock rearing, food preparation, cleaning, child rearing, tending to sick family members. Men usually have a greater say in how household income is spent, though women tend to be responsible for purchases to meet basic needs of the family.

Although the whole rural livelihood system is characterized by poverty, it is important to distinguish who exactly are the poorest farmers, or in other words, the poorest

Poorest farmers

⁶ East Timor Rapid Assessment of Economic and Social Conditions (TA-3425 ETM), ADB, prepared by Economic Insights Pty Ltd, June 2000

of the poor. This vital area requires more detailed research. From the information available for East Timor⁷, it is clear that poorest families are more likely to have a large number of members, less likely to own livestock, and less likely to be involved in the production of crops such as rice or coffee. The poorest farmers also tend to have degraded land, which is steep and subject to erosion. It can also be assumed that those who have land less than one hectare in size and who cultivate by hand are likely to be among the poorest. Those who are involved in sharecropping, which means cultivating land in return for giving part of the harvest to the land owner, or those who rent livestock to prepare irrigated land may also, but not necessarily, be among the poorest.

Impact of the Crisis on Rural Livelihoods

Clearly rural livelihoods were vulnerable to poverty prior to the crisis and tended to value security and subsistence, over risk and incomes. The crisis of September 1999 added additional challenges to the underlying rural poverty. For the most part, the agricultural cycle of 1999-2000 was not as disastrous as would have been expected, given the extent of destruction and the widespread exodus. Under the humanitarian programme, farmers were assisted with seeds and tools, enabling a quick resumption of agricultural activities.

Loss of productive assets, stocks and labour

The main repercussions of the civil unrest on the agriculture sector were the loss of food and seed stocks, the destruction of productive assets such as farming implements, livestock, irrigation systems, processing and milling equipment, slaughterhouses, fishing boats, handtillers, and the displacement of the farming population. Due to the quick rate of return to most farming areas, the impact of labour loss for the agricultural cycle has been limited. The western districts have had the most severe impact of labour shortages due to on-going threats from militias near the border. Loss of draft power, both mechanized and animal, has negatively impacted rice production. This led to delays in the planting season in 1999 and 2000, but due to an extended rainy season, overall productivity was not as seriously affected as might have been anticipated and, combined with timely relief efforts, mass starvation was avoided.

The crisis has severely affected the marketing and transportation network. One of the unintended consequences of the military and humanitarian intervention has been damage to the roads due to the use of heavy goods vehicles. In addition, the previous systems of road maintenance no longer exist. Transportation costs have soared. Internal road transport costs have risen to US\$0.30/tonne/km, or about three times higher than comparable costs in other low-income countries.⁸ Trading, distribution and supply routes from West Timor have been severely disrupted. This will seriously affect the livelihood system of people living in Suai, Maliana and Ermera.

Marketing system disrupted

The Indonesian marketing system of BULOG no longer exists, and many of the middlemen who used to purchase from local farmers fled the country and had their vehicles destroyed. Under BULOG, it was possible to redistribute surplus production from some areas and also provide a source of cash income to farmers. Currently, no private markets are operating to a level where they are able to fill this gap left by the end of this form of government intervention. Also, farmers no longer benefit from protected prices and have been severely affected by the fall in world coffee prices and cheap rice imports. Local rice producers cannot compete with cheap imports. In addition they have lost, at least in the short term, what had previously been their internal markets in West Timor.

⁷ See Annex 2: WFP Vulnerability Assessment Maps for full range of details

⁸ FAO/WFP Crop and Food Supply Assessment Mission to East Timor, April 2000

To respond to the loss of seed stocks and inputs, donors quickly provided improved, high yielding varieties of seeds. Between September 1999 and May 2000, 387 tonnes of maize seed and 339 of rice seeds were distributed. As these maize varieties are not adapted to local conditions in East Timor, it is anticipated that post-harvest loss of maize varieties will be higher. The introduction of mechanized inputs, such as tractors, could inadvertently lead to greater inequality in the rural areas, unless measures are taken to ensure that distribution and use of mechanisation is equitable among farmers. Training in operation, maintenance and supply of spare parts is also essential.

Short-term reliance on emergency inputs

Current Situation Regarding Rural Livelihoods

There are a number of factors that have contributed to weakened livelihood systems today. Many of these have their roots in the underlying poverty established during the Portuguese and Indonesian periods. The crisis has added additional dimensions to this, making rural households vulnerable to further shocks.

Some of the consequences of having a largely rural population that is subsistence-oriented include:

- Limited income to meet cash demands
- Labour demands of agriculture contribute to school drop-outs
- Migration to Dili
- Difficulty achieving food security
- Limited engine for economic growth, providing no revenue for government

"In view of the lack of purchasing power in some districts (such as Oecussi/Ambeno) markets at present appear to be more forums for social, rather than economic exchange."
Source: WFP/FAO (April 2000).

Given the subsistence nature of agriculture prior to the crisis, rural incomes before the crisis were low, as demonstrated by the low per capita GDP. The loss of productive assets, combined with the breakdown of the transportation and marketing systems, plus increased prices of fuel has meant that many rural households now have extremely low cash incomes. Most rural livelihood systems are based on a mixture of cash crops, food crops, livestock and forest products or fishing, depending on the area. The fall in coffee prices and the breakdown on the marketing system affect all rural households.

Extremely low incomes and purchasing power

As described in Chapter 3 on poverty, 40% of households in a recent survey had income and expenditures of less than \$0.07 per person, per day⁹, assuming a family size of seven. The poorest 40% of East Timorese households saw their incomes/expenditures drop by 63-70% between 1999 pre-crisis levels and June 2000¹⁰.

Civil servants in rural areas have suffered. In general, there is very limited purchasing power in rural areas, which means lower incomes for the petty traders and shopkeepers. According to an ADB study, the rural town in Bobonaro had 15 shops and 20 smaller kiosks prior to the crisis. Kiosk sellers could make up to Rp. 200,000 a day. Now there are no shops, and kiosk sellers make only Rp. 20,000 a day.¹¹

Not only have household incomes dropped drastically, but prices for many basic items have also increased. This is particularly true for fuel, groceries and construction materials. Prices have increased at a time when most families have had to purchase a wide variety of household items due to massive losses during the crisis. In some cases, people were able to hide their possession prior to fleeing, while others may have taken advantage of looting.

Increased prices for basic items

⁹ This figure does not take into account the value of own food production

¹⁰ East Timor Rapid Assessment of Economic and Social Conditions (TA-3425 ETM), ADB, prepared by Economic Insights Pty Ltd, June 2000

¹¹ Ibid

Subsistence agriculture is further reinforced

As rural farmers cannot sell their products, and basic food items have become more expensive, reliance on subsistence-oriented farming is increasing. Yields from subsistence agriculture are low due to poor soil, scarce use of inputs, and low adoption of improved techniques. Diagram D (see Annex 3) demonstrates some causes of the wide extent of subsistence agriculture.

Coping strategies

Coping strategies are various activities that individuals, households and communities develop to overcome poverty, adversity and crises. When times get tough, farm families adopt the following coping strategies:

- consuming tubers such as cassava, sweet potato, yam and taro, also bananas, and sago in areas where these grow;
- growing food in kitchen gardens
- gathering wild forest products, such as roots, fruits
- hunting of wild boar, deer, birds, monkeys and tree kangaroos
- fishing in areas near the sea or rivers.¹²

In many other developing countries, a common coping mechanism for poor households dealing with crises, is the sale of assets; jewellery, household goods, livestock etc. Given that many household and productive assets were lost, damaged or stolen, this traditional coping mechanism is not an option for most families.

Rural households who used to rely on employment income from public service are now unemployed. In order to cope, they have started to produce their own food again, as they lack income to purchase food, and have the time available to devote to farming or fishing. There is also evidence that one way rural households are coping is by sending one or more of their family members to Dili to earn a cash income.

Household food security

Household food security is based on being able to access and acquire an adequate amount and quality of food at all times, by all members of the household. Maize is the main staple in East Timor and the main source of carbohydrates. In most parts of the country, rice and maize is plentiful in markets, with the exception of Oecussi. In the immediate post-crisis period, prices soared, but as of March 2000, the price of both staples has returned to pre-crisis levels, due in part to cheap imports.¹³

Women often suffer more than men from lack of food in times of crisis. In East Timor, women state that they eat the same quantity and types of food as other members of the family, though few studies have been conducted¹⁴. Orphans may also be more vulnerable to food insecurity as they live with other families, who themselves have limited food resources.¹⁵ WFP reports indicate that some mothers feed children rice from the time they are weaned until they go to school at the age of six. This practice is not advisable from a nutritional point of view. Given the large losses in livestock during the crisis, priority is currently being placed on rebuilding stocks, rather than consumption. Egg and meat consumption is very low, contributing to poor nutrition.

The lean season, when less food is available, lasts from October to the maize harvest, which is usually in March. This lean season also overlaps with the peak period for malaria that runs from December to January, making family members vulnerable to both illness and hunger. Sporadic instability and militia attacks in

¹² Special Report: FAO/WFP Crop and Food Supply Assessment Mission to East Timor, 19 April 2000

¹³ CARE Dili data, as quoted in WFP/FAO Crop and Food Supply Assessment Report, April 2000

¹⁴ Special Report: FAO/WFP Crop and Food Supply Assessment Mission to East Timor, 19 April 2000

¹⁵ Report of nutrition and health in Suco Coleate Leotelo, Hatolia District, near Ermera, July 2000 by Mr. Bento Borges, Chief of Suco Coleate Leotelo; Mrs. Dulcie Fernandes, from Hatolia; and Mrs. Maria Santos, from Coleate

certain areas, have forced people to flee to safer villages nearby. These neighbouring villagers, provide a safety net: food, shelter and support. Often, as the livelihood systems of most villages are not yet robust, their meager food stocks are further depleted.

Those most vulnerable to food insecurity have been widows, female-headed households, children and persons living in border areas that have not yet re-established their agriculture systems due to instability. As of August 2000, some 150,000 people were receiving WFP targeted food aid.

A recent ADB survey conducted in 37 villages regarding micro-finance, found the main sources of credit in the post-referendum period were family savings (73%), followed by social support groups (20%) and money lenders (5%). This suggests that meager household financial assets are being quickly depleted. Moneylenders currently charge 20% a day, or 120% per month, and tend to provide credit mainly to men.¹⁶ Over 90% of respondents wanted very small loans of Rp. 500,000 (about US\$ 62) or less.

Access to credit limited savings being depleted

Some micro-credit is being provided through NGO projects - though this is limited in scope. In one NGO scheme, as of April 2000, about 100 small loans had been provided to rural women's groups and individuals wishing to launch rural micro-enterprises. Peer pressure of the group has ensured a repayment rate of 100% to date, at an interest rate of 3% per month.¹⁷

In the aftermath of the crisis, external assistance has been provided to help bridge the gap from relief and rehabilitation to development. These have been important sources of support for many households. They include:

Short-term interventions

- Quick Impact Projects
- Temporary Employment Projects
- Food for Work
- School feeding programmes
- Targeted vulnerable feeding

Social networks are also an important aspect of support, particularly in a post-crisis period. Traditionally, the Church has been an important source of support. Poorer rural families also borrow money from neighbours or moneylenders. Other rural credit is currently very scarce (see section below). Finally, support also comes from remittances, when money is sent back, usually to a family member, from those who are employed in Dili, or overseas. Additional community-based research is required to better identify further coping mechanisms and social safety nets.

Social safety nets

Opportunities and Key Issues for the Coming Years

Rural livelihood systems in East Timor have enabled households to withstand many shocks and crisis, and so ensure their basic survival. However, the impact of the destruction and devastation of 1999 severely weakened these systems, which only ensure day-to-day survival. They do not foster prosperity or build sustainable development.

Due to little community-level analysis in the post-conflict period, there is meagre information to indicate what community assets now exist in all their forms: human, social, natural, economic and physical. Additional information is also needed to

"Sustainable poverty reduction will be achieved only if external support works with people in a way which is congruent with their current livelihood strategies, social environment and ability to adapt." *Source: UK Dept. of International*

¹⁶ Powerpoint presentation, "Findings of the Study", ADB,

¹⁷ documentation provided by Opportunity International - East Timor, August, 2000

identify, and better support, the coping and adaptive strategies of rural people. Nevertheless, preliminary analysis indicates that rural households have certain assets that could be supported :

- *Social assets*: there are a number of groups at the community level that could provide support to strengthening rural livelihoods: the Church, political groups, Boys Scouts, women's groups, student groups, the emerging structure of the Community Empowerment Project;
- *Human assets*: indigenous knowledge systems, including knowledge of sustainable use of natural resources, adaptation of farming practices to local environment, knowledge bases of traditional healers and of traditional leaders;
- *Natural assets*: rural households virtually all have access to land and there is not a large number of landless labourers in East Timor;
- *Physical assets*: roads, schools and health clinics are being rebuilt and re-designed through rehabilitation programmes, that if designed well, will increase accessibility by the poor in rural areas;
- *Economic assets*: new small-scale credit schemes are being launched by NGOs and Mr. Jose Ramos Horta's Nobel Peace Prize Fund; income-earning opportunities will increase as reconstruction efforts accelerate.

The Agricultural Sector Rehabilitation and Development Program, a framework developed by ETTA and numerous donors, provides for a limited role of the State, rather than replicating the top-heavy, expensive state systems of the past. The framework encourages contracting with NGOs, and the private sector for agriculture extension and education services through the establishment of Pilot Agricultural Service Centres (PASCs), initially in three districts. The PASCs would be legal entities, owned by the villages or villagers they serve.

Further investment in coffee provides an opportunity for increasing rural incomes and foreign exchange. East Timor has the potential of developing the niche it already has in the global market as a high-quality, organic product, which could demand the highest prices. Due to the level of productivity, cost of transport and processing, it is unlikely that rice can be a competitive export commodity in the near or medium future, though production for the local market can be increased.

Lessons from other developing countries demonstrate that to ensure local ownership, external support should build on existing community strengths, address community identified needs and priorities, and be targeted towards reducing vulnerability of rural livelihood systems. There is a strong need for participatory, gender-balanced, analysis of these systems. To date, most fieldwork done in the post-conflict period has tended to be sector specific and focused on consultations with groups at the district level, who may represent the most educated and elite of rural people. There is no substitute for village-based, participatory fieldwork. Other key issues include:

- Reducing bottlenecks that currently impede all producers (fishermen, livestock raisers, cash crop and food farmers) from increasing production; namely, improving rural roads, transportation, marketing, and processing;
- Increasing household food security through crop and livestock production, nutritional awareness, targeted assistance, and increased incomes to purchase food;
- Increasing rural incomes through production of cash crops such as rice and coffee, as well as through diversification beyond agriculture into other rural based enterprises;

Key issues to strengthen rural livelihoods

- Provision of rural credit to enable launching of productive activities, especially for women;
- Restoration of lost productive assets of poorest households such as:
 - provision of limited number of livestock to poor households, while conducting vaccination and education campaigns for existing stocks
 - handtools used for farming and household chores;
 - fishing boats;
- Reinforce sustainable coping strategies and reduce those with negative impacts on the environment (such as unsustainable sale of fuelwood) by providing alternative options, including reforestation;
- Contribute to policy development and monitor impact of private sector provision of agricultural services to ensure it does not exacerbate rural inequities;
- A broader forward-looking policy dialogue on the role of government in agriculture could be useful, given the prevailing subsistence level of agriculture, the importance of food security, and the under-development of the private sector.

Urban Livelihoods

East Timor is essentially a non-urbanised country. Only about one tenth of the population live in urban areas, mainly Dili. Although exact figures do not exist, it can be assumed that the population of Dili has increased dramatically, due to in-migration from rural areas in the aftermath of the events of September 1999. The livelihood systems of urban households differ substantially from rural ones. However, as many rural households depend on urban remittances, there is an interconnection.

Urban Livelihoods in the Indonesian Period

The public sector was a major source of employment in Dili and other semi-urban areas like the District towns. In 1998, there were about 16,000 public servants at the provincial level, many of whom were based in Dili.¹⁸ Although Indonesian staff occupied 25% of all civil service jobs, and dominated the better paid, senior level positions (58% of all Grade IV positions were occupied by Indonesian), East Timorese can be estimated to have occupied 30% of these Dili-based jobs, or about 4,800 positions. Therefore public service salaries provided the main source of livelihood for about 33,600 people in Dili, again assuming an average family size of seven.

Public sector seen as major provider of employment

In 1996, 33,400 households of all households, which is estimated at 119,857¹⁹, derived their income from wholesale, retail trade, restaurant and accommodation services, 1,900 from the manufacturing industry and 8,200 from the construction industry.²⁰ It can be assumed that the majority of these households were in the urban and semi-urban areas. Businesses tended to be small, with 95% having less than five employees²¹. There is no data available on the percentage of East Timorese to non-Timorese employees, but it is known that many large and medium sized private sector establishments were run and owned by non-Timorese. Micro-entrepreneurs, such as market vendors, kiosk owners, and petty traders, tended to be East Timorese.

Private sector employment

²¹ Economic Census 1996, BPS website

¹⁸ JAM report, 1999

¹⁹ BPS website

²⁰ Economic Census 1996, BPS website

Given that urban households were more dependent on cash incomes and the purchase of food, they felt the impact of the Asian monetary crisis more directly than rural households. Between 1997 and 1998, the price of a kilogram of rice, for example, increased by 80%.²² Despite the Asian financial crisis, households in Dili tended to have more varied and complete diets than rural households. Consumption of fish, milk, eggs, and meat were much higher in Dili than in rural areas.

Immediately prior to the crisis, the large number of UNAMET personnel provided a boost to urban and rural incomes. Short-term incomes, and possible savings, were made through the rental of homes, restaurants, and petty trade. However, these incomes were not likely to have affected many poor urban households.

Impact of the Crisis on Urban Livelihoods

The breakdown of the Indonesian public service, and the exodus of the non-Timorese business, manufacturing and construction community, combined with the widespread destruction of housing, forced expatriation, and loss of personal assets had a devastating impact on the urban population, particularly in Dili. Jobs were lost, assets were devastated, financial and public services collapsed.

Current Situation Regarding Urban Livelihoods

There were a number of different sources of livelihoods in Dili and other urban areas in the post-crisis period, though many are neither lucrative nor sustainable in the long-term. Some current sources of urban livelihoods:

- Farming and house gardens;
- Petty trade, kiosk owners, market vendors;
- Taxi and bus drivers;
- Shopkeepers, traders and business people;
- Service sector employees: restaurants, hotels, hairdressers, etc;
- Carpenters and other trades persons, like mechanics, welders, etc;
- Employment with the UN Transitional Administration, International NGOs, UN Agencies, donor community, and National NGOs;
- Rental of housing to the expatriate community;
- Domestic workers;
- Day labourers, particularly in the construction industry, including quick impact projects, temporary employment projects, and food-for-work.

For the poorest households, many of these sources of livelihood would not be available, as they require capital, higher education, and access to credit. A limited survey of 340 Dili households indicated that the most common sources of cash income were fruit and vegetable growing (20%), labouring (17%) and shop/kiosk operation (15%). In urban areas outside Dili, rice growing was also indicated as an important source of income for urban households.²³

²² Laporan Mingguan Dolog, Tahun 1985-98, Badan Urusan Logistik, Rogasar (provided by WFP-Jakarta)

²³ East Timor Rapid Assessment of Economic and Social Conditions, ADB, prepared by Economic Insights Pty Ltd, June 2000

The rising cost of groceries, transportation and construction materials has a serious impact on urban households, who traditionally purchase, rather than produce their goods and services. Reasons for price increases include the small number of suppliers, the increased shipping and transportation costs, increased fuel costs, and higher prices for Indonesian goods. A recent ADB survey of businesses revealed that three or four major traders supply most shops in Dili. ²⁴

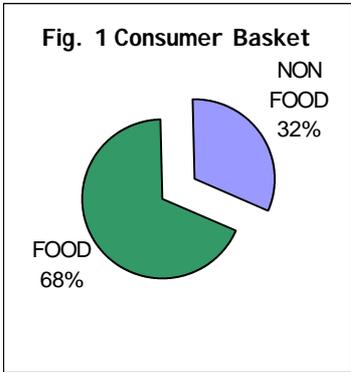
The cost of living has increased at a time when the needs of Dili residents are high, and employment opportunities limited. Family savings are drying up, as the costs associated with re-building homes and purchasing lost personal items are high. Changes from pre-crisis to mid-2000 have soared, as seen in the table below.

Rise in the cost of living

Item	Pre-crisis price in Dili	mid-2000 price in Dili	% increase
Local timber- price for 1 metre length	Rp. 12,000	Rp. 20,000	67%
Sheet of zinc roofing	Rp. 7,000	Rp. 40,000	472%
Bag of cement	Rp. 17,000	Rp. 55,000	224%

Source: East Timor Rapid Assessment of Economic and Social Conditions, ADB June 2000.

A cost of living survey conducted in April 2000²⁵, examined the “commodity basket” of unskilled workers in East Timor. This refers to the prices of a particular collection of goods and services that are commonly bought. According to the survey, in 1997²⁶ more than two-thirds of unskilled workers’ household income was spent on the following food items: cereals, cassava, fish, meats, milk and eggs, oil and fat, vegetables, fruits, nuts, beans, spices, beverages, tobacco and betel, alcohol, prepared foods. Most households spend one third of their income on cereals, making them highly vulnerable to fluctuations in the price of rice. Poorer households tend to spend a greater percentage of their income on cereals, while richer households spent more on prepared foods and meat. Regarding non-food expenditures, poor households tend to spend more on the housing, light, fuel, water and most likely the largest portion of that going to fuel such as kerosene, followed by clothing and footwear.



Poor households are most affected by the recent increases in the cost of rice, kerosene and construction materials as a higher portion of remaining income is needed. The urban poor have few buffers to deal with inflation.

Several thousand urban households in Dili used to rely on public service incomes, while many vendors, traders and business people depended on their purchasing power to keep their micro-entreprise or small business going. ETTA will employ about one third of the previous number of public servants, or just under 10,000 people. Information was not available as to how many of the ETTA jobs will be in Dili, and whether that will be more or less than the estimated 4,800 East Timorese occupied positions prior to the crisis.

Job market distorted

Due to the multi-linguistic nature of ETTA, the East Timorese leadership and the donor community, many jobs in the public sector and international donor community require English and/or Portuguese. Young people’s Portuguese skills are limited, as they have received their schooling in Bahasa Indonesia. It is becoming increasingly difficult for Tetum and Bahasa speakers to get jobs. In some cases, staff are hired

²⁴ East Timor Rapid Assessment of Economic and Social Conditions, ADB, prepared by Economic Insights Pty Ltd, June 2000

²⁵ Cost of Living Survey for the Public Administration in East Timor, UNDP, April 2000

²⁶ 1997 data was used to build a picture of the normal spending pattern of these households

on the basis of their linguistic ability, rather than other skills or training. Given the former view of the public service as a major employer, the new streamlined approach, and linguistic requirements are creating resentment and frustration.

Market vendors and micro-entreprise

Selling products in the market is an important, new source of livelihood for many in Dili in the post-crisis period. According to an August 2000 study of markets, two-thirds of current market vendors were previously farmers, private sector employees or public servants.²⁷ This is a coping mechanism by Dili residents to the loss of formal sector employment. Market vending provides a source of income to both men and women. About half of all Dili market vendors are women. Over 40% of the female vendors are illiterate.

In the past, Dili markets played a central role in promoting trade between different food producing districts of the country. Transportation difficulties have affected this. Over 80% of Dili market vendors said that difficulties in transportation have increased their selling price, as many have to hire a taxi. More than half of all vendors sold the "nine daily commodities" ²⁸ and vegetables, which require relatively little capital and are products in demand. Relatively few vendors sell durable goods, such as clothing. The survey also found there were more than 23,000 customers per day in the Dili market.²⁹

Many East Timorese businesses registered

Job opportunities in the private sector are increasing in Dili, particularly in the construction industry. There were 2,285 businesses registered with ETTA's Department of Trade and Commerce as of June 2000. There has been confusion regarding the registration process and many believed registration was a requirement for getting a loan. Nevertheless, the database provides indicative information regarding the types of businesses that currently exist or are planned.

- A high number of the registered businesses are in the commercial/sales sector with nearly 30% kiosks or small traders; 10% are in the construction sector; 5% in the transportation sector; 3% in the coffee trade;
- Over 90% of owners registered as Timorese, though many foreign owners may have registered under the name of an East Timorese partner;
- 23% of all registered businesses had women owners;
- Almost 80% of all businesses were registered as being in Dili.

There have been complaints that the international bidding process required for major donor projects has disadvantaged local businesses and limited job opportunities. In August 2000, changes were being introduced in the infrastructure sector to encourage greater involvement of local contractors. For example, contractors who have the capacity to deliver services worth \$10,000 and up are passing through a process of pre-qualification. When a tendering process is to be launched, several small contractors can be contracted to work jointly on a larger project.

A survey of 41 businesses indicated that the main constraints to their expansion were:

- Lack of capital to purchase inventory of goods, transport or repair buildings
- Shortage of equipment and transport
- Risk of security problems arising
- Problems regarding access to land
- Uncertainty of the tax system.³⁰

²⁷ Research on Market Distribution System in East Timor, by ADRA Japan, East Timor Operations, September 2000

²⁸ Nine daily commodities refer to rice, sugar, cooking oil, chicken/beef, eggs, milk, corn, kerosene, and iodised salt

²⁹ Research on Market Distribution System in East Timor, by ARDA Japan, East Timor Operations, September 2000

³⁰ East Timor Rapid Assessment of Economic and Social Conditions, ADB, prepared by Economic Insights Pty Ltd, June 2000

As family savings are being depleted, and assets have been lost, it is difficult for micro-entrepreneurs and small businessmen to access loans. Small loans are particularly needed, given that formal sector employment opportunities are limited. Small enterprise loans are being planned through the Trust Fund for East Timor. By October 2000, an anticipated 1000 jobs will be created, and 220 loans approved, of which one-fifth will be provided to women.³¹ Until micro-credit schemes are more widespread, it is likely that moneylenders will continue to prosper. For example, it is reported that taxi drivers pay back moneylenders at the rate of 20-25% per month, with daily repayments.

Children have taken to the informal economy, such as selling newspapers, and washing cars. Begging by elderly and children is starting to appear. Anecdotal information indicates that prostitution may be increasing.

Youth contribute to family income

Alberto, a 14 year-old from Kutulau, sells vegetables in Dili's central market. He does this so his family of seven can have enough money to buy rice. He comes from a farming family in a rice producing area. Prior to the rice harvest, and after a poor maize and small vegetable crop, Alberto is helping to cope with seasonal shortage of food. The family used to depend on relief supplies of rice, but that stopped. Alberto says he is lucky the militia did not burn their house. He said the family does not have money to buy clothes. But clothes are a luxury now. The most important thing is to have enough to eat.

Source: Informal interview by Fernando da Costa, August 2000

Social networks are an important aspect of support to urban communities. These include:

- Extended family support through shelter (many family units share one house, due to the destruction), shared income, especially if one member has a job in the formal sector, and remittances from relatives living overseas;
- The Catholic Church and associated women's groups, youth groups providing support through recreation, sports and social support; and *Koran* groups, or other social support groups.

Key Issues and Opportunities Regarding Urban Livelihoods

The resilience and adapting strategies of urban households can be seen as strengths to be supported in the future. The exodus of the foreign business and trading community provides opportunities for East Timorese to play a larger role in the private sector. In addition, the collapse of the old administration allows East Timorese to develop a new perspective that moves beyond the attitude of the public service as employer. The rehabilitation of micro-credit schemes and small enterprise development initiatives, as well as vocational training programmes, offer important opportunities to strengthen urban livelihoods.

³¹ TFET Performance Indicators August - December 2000, ADB and World Bank

Trades and vocational training

Vocational training can help address both employment and reconstruction needs. Vocational schools were looted during the crisis and equipment lost. Initial efforts have been made to re-launch activities at the Becora Technical High School. There are a variety of emerging opportunities for self-employment in the areas of building and construction, carpentry, metal welding, automotive repairs, and electrical repairs. For example, carpenters have good opportunities, given the large demand for school desks and chairs. Many potential tradesmen and women require loans, tools and training to get their business going.

Lack of labour regulations

At the time of writing, the employment standards regulation was being formulated. This will address issues such as conditions of employment, benefits, freedom of association, anti-discrimination, abolition of child labour, wage regulation, occupational safety and health, employment of foreign nationals, labour inspection, complaints and industrial relations. The enforcement of these regulations will help address pressing concerns such as wage differentials, employment of foreign nationals, gender discrimination, and occupational hazards.

Some other key issues to address will include:

- Continuing to improve access by men and women to credit and small business/micro-entreprise training, through the provision of sustainable, affordable, gender-balanced, micro-credit schemes;
- Further strengthening of vocational and technical training and other training programmes in order to encourage self-employment, particularly for youth;
- Favouring the use of local materials, tradespeople and contractors in the rehabilitation process funded by donors;
- Improving the transportation and marketing network, which will result in lower prices and increased trade within the country;
- Developing appropriate labour laws that also take into consideration the goals of international conferences related to fair, decent work, restrictions on child labour, a gender-balanced approach, including affirmative action in the public sector.

Environmental Crisis

There has been little attention given to environmental issues in the post-crisis period, as energies and funding have been focused on emergency and rehabilitation needs. Continued focus on short-term measures will prove to be both unsustainable and ineffective. As described in previous chapters, the extent of environmental damage has numerous consequences, from the maintenance of roads, to health problems, also increasing women's workloads, and limiting future income-earning options at the local and national levels.

Overview of the Situation

East Timor's natural conditions are challenging. The country has steep land, heavy seasonal rains, and thin calcareous soil that is prone to erosion. There are over 100 rivers, which are dry for much of the year. Water is in short supply during the dry season, and the quality is poor. El Nino droughts occur regularly every 4-5 years. Extensive deforestation has led to landslides, flooding, and flashfloods. The indicators below suggest that environmental destruction has accelerated.

Indicator	Number
% primary and secondary forest coverage in 1975	Estimated at 50% ³²
% primary and secondary forest coverage in 1989	41% ³³
Critically degraded land as a percentage of total land in 1992	49% ³⁴
Critical areas in need of reforestation/afforestation in 1992	17,800 ha. or 7% of the land

There are very few reliable indicators to measure the state of East Timor's environment. This in itself reflects the marginal importance given to environmental issues by past administrations.

Historical and Cultural Perspectives on the Environment

Indigenous knowledge systems demonstrated a respect for the environment. One practice during Portuguese time was "*Tara Bandu*" which was a periodic ban on exploitation of a threatened resource, such as forests, rivers or springs, also coconut plantations, and resources found in coastal areas. Violators paid heavy penalties to the whole community. Although traditional systems were weakened under Portuguese and Indonesian rule, many community-level environmental protection systems remain active. Local farmers have developed a sophisticated indigenous method of soil conservation. Fishermen in coastal areas use small round nets that enable fish to be caught without damaging the coral. There are numerous criteria used for selecting animals to be killed for ceremonies, aimed at ensuring sustainable use of livestock and wild animals. Young animals and females are spared, as are rare types of animals.

Traditional value and respect for the earth

At one point the island was covered in forests, with sandalwood attracting the Portuguese colonialists. For centuries, East Timor's economy and commerce was based on forest products including sandalwood, honey, beeswax, ebony, teak, spices, fruits and others. Unsustainable harvesting has made this national treasure almost extinct. ETTA's Forestry Unit estimates there are less than 100 tonnes of standing sandalwood.³⁵ The livelihood systems of East Timorese to this day are based on the multiple uses of forest products and households continue to use forests to obtain traditional medicine, housing materials, fruit, nuts, food, fuelwood, boat building, furniture, and to control flooding and soil erosion. However, these resources are more and more scarce.

As many as 70,000 hectares of forest were burned in the last decade by official estimates but some analysts believe that the number is higher.³⁶ Other contributing factors to deforestation have been "slash and burn" agriculture, increasing population pressure, use of fuelwood for cooking, unsustainable commercial forestry practices and illegal logging. In addition, the so-called "protected areas"³⁷ were sometimes exploited as personal reserves by senior military and civilian officials.

Accelerated environmental destruction

Impact of the Crisis on the Environment

During the crisis of September 1999, militias and TNI not only burned houses, but also fields and forests, in an effort to flush out people hiding in the mountains. Oil is reported to have been released from storage tanks, contaminating the soil and groundwater.

³² Information supplied by ETTA Forestry Unit, August 2000

³³ The Ecology of Nusa Tenggara and Maluku, by Kathryn Monk, Yance de Frates and Gayatri Reksodiharjo-Liley, 1997, pg. 602

³⁴ The Ecology of Nusa Tenggara and Maluku, by Kathryn Monk, Yance de Frates and Gayatri Reksodiharjo-Liley, 1997, pg

³⁵ Information supplied by ETTA Forestry Unit, August 2000

³⁶ Gomes 1999; 65, as quoted in Social and Economic Conditions in East Timor J. Pedersen & M. Arneberg (eds) Nov 1999

³⁷ See WFP/VAM Unit Dili map indicating the Protected Areas

Current Situation Regarding the Environment

Given the destruction of Government records, and current knowledge gaps on the environmental situation, it is difficult to give an accurate, well-researched overview of the environmental problems. Nevertheless, the following issues have emerged as being important environmental threats to the livelihood systems of both urban and rural people. These risks affect the poor the hardest. They also have serious impacts at the national level for loss of potential revenue generation.

Increased deforestation

Desperate for a source of income, many rural households sell bundles of fuelwood. Left unchecked, this will further increase the workload of women and children, forced to travel further to obtain fuelwood, accelerate rates of erosion, and reduce the supply of water. Forest fires are also a problem, caused by clearing land for farming and housing, drying out timber for fuel, hunting, drought, accidental fires and even arson. Reconstruction needs have also increased the pressure on forests.

ETTA has passed a regulation establishing 15 Protected Areas in order to help ensure the preservation of the country's biodiversity, habitat for species, and fragile ecosystems. ETTA passed a resolution prohibiting logging operations and the export of wood in June 2000. However, logging remains difficult to control. There is also evidence that loggers are obtaining letters providing them with "permission" to exploit timber, despite the regulation. In spite of a global ban on sandalwood, buyers are reported to be offering US\$1,200 per ton in Dili (US\$1,800 in West Timor). While the income from such sales are indeed attractive to poor Timorese households, stands of sandalwood are being depleted. Unless protected, this potential source of income, and national icon, will no longer be available to future generations.

Water quality problems

Pollution of ground and surface water is of increasing concern. Many surface and groundwater sources exceed WHO faecal coliform and suspended solid levels. In rural areas, causes of surface and groundwater quality problems are:

- erosion and siltation, making standing water cloudy and of poor quality;
- untreated domestic sewage contaminating groundwater;
- uncontrolled dump sites leading to contamination;
- lack of regulation of businesses and activities having a negative effect on the environment (e.g. textile dyes, hotels dumping untreated sewage, fertilisers used in farming, processing of coffee);
- poor handling of fuel and oil.

Poor often excluded

As is commonly found in many developing countries, the decision-making process in East Timor to date has tended to be urban-oriented and elite focused. Given the fact that ETTA is poorly resourced, consultation with community members has been extremely limited. When faced with environmental problems, such as illegal logging on customary land, dynamite fishing by foreign boats, or hunting of deer, the rural poor resort to the existing leadership structures at the local level. There are no standard procedures or mechanisms to transmit their complaints to decision-makers in the District or national capitals.

Gender implications

Women often suffer the consequences of environmental problems more than men. Women have to walk further to collect fuelwood and water due to the deforestation and pollution. This puts them at greater security risk, while heavy loads put pressure on their spines. The fact that women tend to prepare meals means that they can be at greater risk for respiratory illnesses from inhaling smoke from burning of fuelwood.

Opportunities and Key Issues for the Future

The high value and respect for the earth, and related customary practices that protect the environment are important strengths. These traditional belief systems also provide opportunities for collaboration in future community based natural resource management initiatives. The traditional knowledge systems that have adapted to the local conditions also provide a basis upon which future policies and regulations can be built.

There are certain opportunities in building upon successes of the past. There is a history of using alternative sources of energy in East Timor. For instance, during the Portuguese times, improved stoves were used that involved burning of coffee husks and other organic wastes, and more recently solar energy was introduced.³⁸ These, and other examples, could be examined and lessons learned for the future.

One of the most pressing needs is to better understand the rural and urban livelihood systems, including natural resource management systems. Once such an understanding is established, appropriate support can be provided at all levels. Until more comprehensive studies can be undertaken, the following key issues and recommendations have been identified:

- Donor community and ETTA should provide greater resources and priority to natural resource management, including comprehensive, phased implementation of existing frameworks;
- Develop community-based resource management plans in pilot areas and support their implementation;
- Review how enforcement of existing natural resource protection regulations, particularly related to illegal logging, dynamite fishing, protection of the 15 Protected Areas, could be improved;
- Future natural resource management initiatives should build on existing traditional customary practices and indigenous belief systems of rural people;
- Establish clear and appropriate environmental regulatory framework for existing and future businesses and investors.

Areas of Current and Planned UN Agency System Support

Rural Livelihoods

- Food-for-work based support for rehabilitation of agriculture and irrigation canals, and rural water management (WFP);
- Food security for vulnerable groups through targeted aid, food for work, school feeding (WFP);
- Training for the development of the coffee trade chain from producer to export (including warehousing at the levels of processing, and export ports) and building a network of trade and finance (potential support by UNCTAD);
- Ainaro/ Manatuto Community Rehabilitation project (UNOPS/UNDP);
- Needs assessment and policy development in agriculture (UNDP);
- Distribution of vegetable seeds and agricultural hand tools, reduction of post-harvest losses, improvement to backyard poultry production (FAO);
- Emergency assistance to small-scale fisheries sector (FAO);
- Creation of a documentation centre for agriculture (FAO);

³⁸ information NGO Haburas, August, 2000

Urban Livelihoods

- Vocational training and Small and Medium Enterprise Development (UNDP);
- Training of existing and emerging East Timorese Entrepreneurs, contractors, labour inspectors and employment service officers (ILO);
- Rehabilitation of markets in Dili and districts (UNDP).

Environment

- Community reforestation and provision of food-for-work for reforestation activities (WFP);
- Support for environmental needs assessments, prioritization and policy formulation, based on community consultation (UNDP);
- Support for studies and policy development related to eco-tourism (UNDP);
- Watershed management, involving food-for-work (WFP in collaboration with IFAD and World Vision).

Institution Building, Human Rights and Civil Society



In the context of East Timor, governance entails the building of a new nation, with all the myriad obligations and responsibilities that implies. This chapter concentrates on four of the most critical areas for governance in East Timor:

- *Institution building*
- *Capacity building*
- *Human rights*
- *Civil society*

Global Conferences and Conventions Related to Governance

The World Summit for Social Development (1995) declared that: “Democracy and transparent and accountable governance and administration in all sectors of society are indispensable foundations for the realization of social and people-centred sustainable development.” The need for free and fair elections and democratic government was also confirmed by the World Conference on Human Rights (1993). The same conference also reaffirmed the need for fair administration of justice, i.e., an effective legislative framework, law enforcement, prosecutions, legal professions, and fair in conformity with international standards.

CEDAW calls on governments to ensure women’s equal access to and full participation in power structures and decision-making.

At the UN Millennium Summit of September 2000, the member states of the United Nations resolved:

- To fully respect and uphold the Universal Declaration of Human Rights.
- To strive for the full protection and promotion in all our countries of civil, political, economic, social and cultural rights for all.
- To strengthen the capacity of all our countries to implement the principles and practices of democracy and respect for human rights, including minorities.
- To combat all forms of violence against women and to implement the Convention on the Elimination of Discrimination against Women.
- To work collectively for more inclusive political processes, allowing genuine participation by all citizens in all our countries.
- To ensure the freedom of the media to perform their essential role and the right of the public to have access to information.

Good Governance

In preparation for independence, East Timor faces many of the same challenges which faced other post-colonial countries when they obtained independence. However, East Timor is unique in so far as it has not once, but twice, within 30 years, experienced the phenomenon whereby a foreign regime, which dominated all decision making and did not build indigenous structures or capacity, has departed from the country in a rapid and unplanned manner, leaving a vacuum in terms of institutions and skills.

Main objectives in Governance

"[The UNTAET mission] objectives can be summarized in a single goal: to prepare East Timor for full independence. Two things are particularly crucial to achieving this goal. The first is the establishment of an independent East Timorese public administration and governance capacity and the second is the organisation of elections for a Constitution and a democratic Government."

Sergio Vieira de Mello, Special Representative of the UN Secretary-General, July 2000

The challenge for East Timor is nothing less than building a new nation from almost zero with the main resource being the resilience, commitment and strength of a people who have struggled for so long to attain their independence. This challenge has to be faced amidst the widespread destruction and devastation of September 1999.

Governance can be seen as the exercise of political, administrative and economic authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences. It encompasses the role of the State, but transcends it to also include civil society organisations and the private sector (formal and informal). Good governance is participatory, transparent and accountable. It upholds the rule of law. It is responsive, equitable, and consensus-oriented, and efficient and effective in its mechanisms.¹ These fundamental values, provide a template of principles on which to base the transition of East Timor to full independence.

External support in this process should be informed by the guidelines developed by the OECD/DAC for international engagement in post-conflict recovery situations². These guidelines state, *inter alia*, that:

- International donor involvement should be coordinated within a broad collective strategic approach, based on a core set of global values (including universal human rights, and with due regard to the values which have emerged from the series of global conferences during the last decade);
- National ownership must be promoted from the outset;
- Indigenous capacities should be strengthened through broadened participation in all activities related to the provision of external assistance;
- External assistance must promote structural stability and integrate considerations that span the range of economic, social, political, legal, military, and environmental aspects;
- External assistance must strengthen a society's ability to peacefully mediate and resolve its internal and external tensions, thereby preventing deadly conflict, recourse to violence and the use of force.

Governance Issues During the Portuguese and Indonesian Periods

The traditional structures of East Timorese society were weakened under Portuguese rule and effectively abolished under Indonesian rule. However, as in many countries, these traditional structures, albeit somewhat damaged and distorted, remained a powerful force and were one of the factors enabling the Timorese people to maintain a sustained campaign of resistance to foreign rule.

¹ "Governance for Sustainable Human Development" UNDP, New York, 1997

² Guidelines on Conflict, Peace and Development Co-operation, OECD/DAC, 1997

As a colonial power, Portugal, itself in economic decline at the time and among the least modern of all European countries, was not able to transfer skills and knowledge to East Timor, the most distant of all its colonies. Nor did incorporation into the Indonesian state result in any strengthening of local capacity or human resources. The centralised nature of the Indonesian system did not facilitate the development of planning and management skills at the provincial level. Budget allocation, agricultural and industrial policies, for example, were directly decided and managed by Jakarta. More importantly, the majority of skilled and higher-level professional jobs in the government administration, education and health sectors and infrastructure were filled by non-East Timorese.

Highly centralised system

Although 75% of the civil service was East Timorese³, they were concentrated at the lower levels, with 93% at the lowest grade, and non-East Timorese dominated the highest grades and management positions. The highest grade, Grade four, was 58% Indonesian and only two out of 13 District Administrators were East Timorese. In terms of gender, women represented 25% of the entire public service⁴. However as many female public servants would have been teachers or health workers, it can be assumed that the actual percentage of women in the core civil service would have been significantly less and limited to the lower echelons.

Few East Timorese civil servants

The structure of the administration under Indonesian rule reflected a system of deconcentration i.e., decision-making power was delegated to provincial level civil servants, who remained accountable to central or provincial authorities or to the Jakarta-appointed Governor of East Timor, not to democratically elected or local structures. There was no history of open and democratic political activity in East Timor.

No devolution of authority

Indications are that during the Indonesian rule, corruption was widespread both in the civil service and the military. This was in part due to very low salary levels that did not allow public servants to sustain themselves and their families. It would also appear that the morale in the public service was low, resulting in low productivity and high absenteeism.

Impact of the Crisis

The events of September 1999 saw the near-total destruction of all systems of government and administration. An estimated 75% of all public buildings were destroyed, along with Government archives and records. In addition, 7,000 civil servants (mostly Indonesian) left the country.⁵ There was a complete vacuum of administrative authority, policing and justice. The priorities therefore in the last months of 1999 were to respond to the humanitarian crisis, put in place basic elements of the administrative structure in consultation with East Timorese leadership, and assure basic security throughout the territory.

Administrative and justice vacuum

To prevent a legal vacuum, UNTAET is continuing the application of law existing in the territory prior to 25 October 1999, as long as it is compatible with internationally recognized standards of human rights. UNTAET is also introducing new regulations as required, in consultation with the National Council. Restoring the judicial system is an enormous challenge as the entire judicial system collapsed. Only approximately 70 of the 100 lawyers who had completed their legal training in Indonesia now remain in East Timor. Many of these lawyers have never practiced.⁶ Under the previous regime, no East Timorese could serve as judges in the Territory.

³ Based on March 1999 civil service wage figures as quoted in the JAM report.

⁴ Susenas 1999

⁵ JAM report estimates

⁶ "Mentor Programme Overview" UNTAET Dept of Judicial Affairs June 2000

Institution Building

In the immediate aftermath of the events of September 1999, East Timor faced what was essentially an institutional vacuum. What is required now is nothing less than determining the role, structure, dynamics, and future of the new state, including the configuration of basic pillars of governance and separation of powers. East Timor needs to create an effective management and technical capacity in government, able to sustain social and economic development beyond independence.

Creating the Institutions of the New State

Much of the work in institution building requires the creation of new institutions from scratch. UNTAET had, as one its first tasks, the establishment of the basic foundations of the government administration. These structures now include a legal framework, a central financial and fiscal capacity, and a civil service structure. This process of establishing and strengthening institutions is continuing. East Timor cannot proceed on the basis of replicating systems which existed before, which were inherently de-powering and alienating. New structures and mechanisms are needed which are capable of promoting human security and social cohesion, managing change and resolving disputes peacefully, and thereby securing a peaceful enabling environment for sustainable development.

Particular attention should be paid to the establishment of strong auditing and other accountability functions. Systems and procedures, which are in accordance with the philosophy and requirements of a democratic state, must be established for the public service. This is particularly important given the history of corruption and mismanagement during the Indonesian rule.

A process of participatory institutional development is necessary, not a "turn-key" approach. It is imperative to foster national ownership over the nature, direction, and management of the transition process. Without this, there can be no sustainability. Bearing this in mind, the structure of UNTAET has been changed to ensure the direct participation of East Timorese, particularly at the senior levels, and to actively involve East Timorese in the executive management of the transition. A cabinet style system has been put in place, with five portfolios going to East Timorese and four to senior UNTAET staff. The Special Representative of the Secretary General retains full responsibility as Transitional Administrator in accordance with Security Council Resolution 1272. Broad participation in policy making is also being enhanced through the enlargement of the National Consultative Council (now the National Council) to 33 members representing various segments of East Timorese society, including representatives from each of the 13 districts.

An important advantage that East Timor has is the possibility to take full advantage of the experiences of other countries. To date, most of the national leadership have only limited exposure to two models: Portuguese (under Caetano) and Indonesian (under Suharto). In both cases this experience was mostly before these two systems themselves underwent reforms. As the UNDP Governance Programme proposal states: "Comparative government systems exposure is much needed for both central and local government architecture. Recent developments in international comparative experience and best practice in the fields of decentralization, deconcentration, and devolution, as well as in the reconstruction of central organs of the State for the consolidation of pluralist democracy and the rule of law, are all elements that should be brought to bear on the constitutional and administrative development processes required to build a new state in East Timor."⁷

Basic foundations established

"Post conflict situations often provide special opportunities for political, legal, economic and administrative reforms to change past systems and structures which may have contributed to economic and social inequities and conflict." *OECD/DAC Policy Statement May 1997*

Participatory approach

Lessons learnt

⁷ "Foundations for Governance and Public Administration" UNDP East Timor, June 2000

The strengthening of the judiciary and the development of an effective civilian police force remain a top priority. Effective legal protection and administration of justice is also required to create an environment conducive to the repatriation of those refugees still outside the country. Steps to re-establish the rule of law must address a range of challenges, including an extremely limited number of skilled people to carry out functions within the legal system, a history of public mistrust of the formal judicial system, the lack of a mechanism to develop effective new legislation, reform of existing law, and the widespread and extensive damage to court buildings and prosecutors' offices.

Re-establishing the rule of law

Two district courts have reopened (Dili and Baucau) to be followed by two more (Oecussi and Suai) eventually reaching a total of eight district courts. So far, 26 East Timorese judges, 12 prosecutors and eight public defenders have been appointed. Under a mentoring system, the newly appointed judiciary are supported by international judges and lawyers, thus receiving their training and capacity-building on-the-job. The first criminal case concluded at the end of August, and pre-trial hearings have started for the first serious crimes case. Some 600 cases are still pending from before the popular consultation, though in some cases the records have been lost.

Courts re-opened

The process of broad popular consultations on the future Constitution of East Timor is about to commence, alongside a wide ranging civic education programme, designed to reach all elements of the population. No date has been set for elections, but it is envisaged they could be held by mid 2001, which would imply full independence for East Timor before the end of that same year.

Future constitution

Decentralisation

Decentralising government to regions, districts, towns, and villages, enables people to participate more directly in the governance processes. It can help empower people previously excluded from decision-making and can ensure that central government reflects the priorities and needs of the people in its planning processes. Local level structures also facilitate the participation of women in political life, as there are often obstacles for women in their access to central government structures.

The previous regime in East Timor was highly centralized, with the Governor reporting directly to central government, and not accountable to the people. East Timor, which traditionally has 13 "royalties" or districts, was divided into three administrative areas.

The current structure of local level administration in East Timor under the Transitional Administration essentially replicates that of the Indonesian system. There are 13 District Administrators with some staff covering the various sectors, such as agriculture, education, and human rights, while other staff cover geographical areas, i.e., the sub-districts. Advisory councils composed of East Timorese have been set up to ensure the participation of East Timorese in the administration of the districts. However, decisions are still made centrally in Dili and District Administrations neither have a budget nor any significant authority.

Forms of decentralisation

Devolution: Transfer of authority to local authorities who are then electorally accountable to the population of the area, not to the centre.

Deconcentration: Decision making power for specific sectors and activities are delegated to local level civil servants, who remain accountable to the centre, not the local structures.

Up to now, there has been no formal mechanism whereby the views of the districts can be taken into account in the central planning process. This will change to some extent with the establishment of the enlarged National Council.⁸ As the Transitional Administration continues its task of setting up the institutions of government, this question of decentralization will become increasingly pertinent, if a fully democratic and accountable system is to be put in place.

Key Issues and Opportunities for the Future

East Timor has a unique opportunity to develop a governance system based on the needs of the East Timorese and benefiting from the experiences and lessons of other countries. It also has the unique opportunity of reflecting upon human rights issues and ensuring these are mainstreamed and well understood. The new ETTA structure of cabinet-style government, with an equal number of East Timorese and UNTAET staff as cabinet members, also provides a good chance for co-management of the transitional period, thereby preparing East Timorese for full self-determination and good governance.

The key areas and benchmarks for UNTAET:

- to ensure security during the transitional period and arrangements for East Timor's security once it is independent;
- to establish a credible system of justice in which fundamental human rights are respected;
- to achieve a reasonable level of the reconstruction of public services and infrastructure;
- to establish an administration that is financially sustainable; and to manage a political transition to independence, culminating in the adoption of a Constitution and democratic elections.

Report of the Secretary-General to the Security Council, July 2000 (S/2000/738)

In its proposed programme to support governance in East Timor, UNDP highlights the following key areas in institution building and strengthening:

- Enhanced national capacity and a strategic vision framework for the management of the transition, and a civil society communications strategy/capability to sustain public confidence;
- A development planning capability for the new East Timor Administration at both central and district levels;
- A broad-based participatory capacity-building framework, including national institutions and a capacity-building programme for central-local administration linkages;
- Appropriate public service legislation, regulations, and policies developed, underpinning national recovery and development policies and strategies;
- A human resources development strategy and recruitment, induction, and training of East Timorese civil servants, so as to ensure both ownership of the transition period and sustainability beyond;
- Effective public management audit, accountability and transparency for optimizing resource management for basic public services.

⁸ Expected to be functioning by October 2000

Capacity Building

After long periods of systematic underdevelopment of human resources, it is not surprising that East Timor faces a lack of skilled and experienced people to build the new nation. This affects both the public and private sector. Although a number of well-qualified and experienced East Timorese from the diaspora have returned to help rebuild the country, they alone cannot fill even a small percentage of the 9,000 or so posts in the public service. It appears there is an adequate number of East Timorese graduates in agriculture/fisheries/forestry; and allied health workers (e.g midwives) with some training and experience⁹. However, other areas are facing severe shortages of qualified East Timorese.

Public sector

Outside the public sector there is ongoing, if limited, capacity building in the areas of participatory development, agricultural extension, veterinary training as well as programmes for local NGO capacity training. Some small business training is expected to be incorporated into a TFET-funded small enterprise programme.

Private sector

Overview of Current Capacity Building Activities

The need for training and capacity-building of East Timorese is key and is particularly critical for the public service if there is to be a successful transition to independence. Although this is an activity which has deservedly received attention from all concerned and activities have commenced, there has been a recognised lack of coordination and a tendency to confine capacity-building activities to straightforward training activities. An added complication in capacity-building is the language question. The East Timorese leadership has expressed its wish to adopt Portuguese as the official language following independence with Tetum as the national language. The majority of the population under the age of 40 speak Bahasa Indonesia; and the official language of the UN mission and most development agencies involved in capacity-building is English. Tetum serves as a lingua franca for most East Timorese, but there are well over 20 languages/dialects¹⁰ in East Timor. A recent UNDP survey¹¹ on current capacity-building activities points out that a relatively large amount of training is focussed on improving English and Portuguese language skills, as opposed to technical and administrative skills.

Coordination needed

Language complications

The survey identified the following main issues:

- Some capacity-building has taken place in East Timor, but it is still in its infancy, and coordination is lacking.
- Although there is a recognised lack of trained human resources in East Timor, this should not lead to an assumption that people are not capable and to overlook East Timorese with the capabilities required.
- Training needs are still imprecisely defined and not necessarily linked to required job competencies.
- Linkage between public institutions' needs and priorities of donors is fragmented.
- There is a risk of concentrating capacity-building on senior people, rather than on the full range of workers and employees who need training.
- It is apparent from the number of offers of training, secondments and overseas visits for the higher echelon public servants, that this area is

Survey of capacity building

⁹ UNDP Survey of Capacity-Building August 2000

¹⁰ Some estimates put the number at 30

¹¹ UNDP Survey of Capacity-Building August 2000

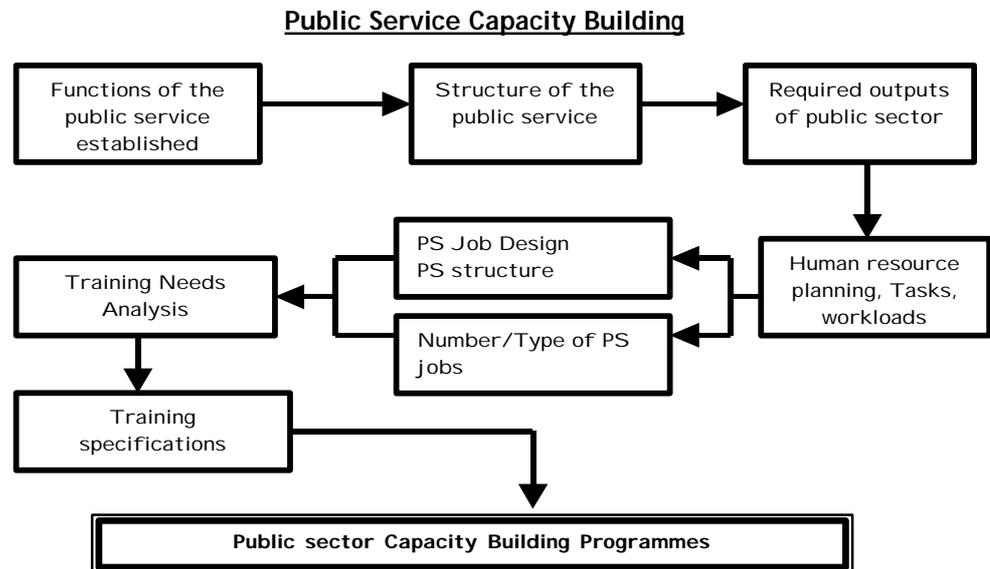
extremely popular with donors. Although some areas, e.g., judicial and diplomatic, by their very nature require exposure to other systems, there could be more capacity building done *in situ*.

- Plans for capacity building beyond the current time frame are lacking.

There is a need for clear definition and agreement on civil service functions and structure, which involves defining the outputs and service standards required for all civil service units and the competencies required for each job. A systems approach should be applied to training, and capacity-building should be a key element of all work plans. Managers should be held accountable not just for output but also for capacity-building of their staff.

For senior managers, on-the-job experience could well provide the best capacity building, supplemented with distance education and advisors to help bridge experience gaps. It is advised that lengthy secondments/scholarships should be avoided.

An important part of re-establishing the public service is to identify former employees, who on the basis of a competency test would be able to resume functions in the new public administration system. The necessary mechanisms should be in place to ensure transparency and integrity in the selection process.



source : revised from UNDP Capacity Building Report, August 2000

Women in the Public Service

Although there is little difference between male and female enrolment in primary and post-primary education, women's participation in the public service has been quite low. The current gender breakdown of the East Timorese staff in ETTA is 16.6% female and 83.4% male.¹² It has been announced that there will be a target of 30% women for the public service, though no specific strategies have been developed to achieve that target.

¹² ETTA Gender Affairs Unit, July 2000

Among some of the bottlenecks to increasing women's participation, other than the low skill levels of women, are the following: limited access to day care or childcare; high cost of transportation (especially taxis'); language problem making jobs inaccessible; many women, especially outside of Dili, being unaware of the job postings. Underlying causes also include: high rates of illiteracy, the low levels of self-confidence, especially in rural areas, and the lack of encouragement at senior levels for women to take leadership roles.

Strategies to address the issue of low participation rates of women need to be identified. Women are not alone in facing the problem of low skill levels, as this is a general problem in East Timor. However, it should be ensured that capacity-building and training programmes take into account the specific situation of women e.g. confidence building programmes for women; basic training in how to apply for a job; specifically informing women of job opportunities rather than relying on general public notices. Other strategies could include affirmative action legislation; providing CNRT and ETTA leaders with gender training and awareness of CEDAW and other human rights conventions; integrating gender issues into the curriculum at all levels, and ensuring adequate representation of women in the National Council. The consequences of continuing to have a male dominated civil service are that programmes will be less likely to be gender sensitive or appropriate to women's needs, there will be fewer women role models, and there will be a vicious circle of continuing women's unemployment.

Human Resources Currently Available

A comprehensive capacity-building programme needs to be based on a solid knowledge of human resources already available, which also takes into account those people who can relatively easily have their skills upgraded, rather than starting from zero. As the UNDP capacity building survey pointed out, the knowledge that human resources are currently weak in East Timor should not lead automatically to an assumption that East Timorese are not capable or totally lacking in skills and experience.

In this respect, the work currently being undertaken by a national NGO, East Timor Development Agency (ETDA), to build up a register of available human resources in East Timor provides some interesting data. The interim report (the project will be finished by the end of 2000) covers 7,025 people aged 17-70 (63% male and 37% female) who registered with ETDA, principally from the rural areas. Dili had not yet been comprehensively covered at the time of the interim report, but it can be expected that the full inclusion of Dili residents would increase the skills levels reported.

*ETDA survey of
human resources*

Data is based on the information provided by the respondents, so there may be an element of over-estimation/under-estimation of skills and qualifications. However, the report provides an interesting picture of the current human resources and training needs as identified by the East Timorese themselves. Measures were taken to assist non-literate respondents in filling out the forms so a wide range of people is included in this register.

Selected Data from ETDA Survey of Human Resources - Interim Report (July 2000)	% of total respondents (7,025)
Education Levels (<i>selected data</i>) <ul style="list-style-type: none"> ▪ Degree Level ▪ Diploma/Certificate ▪ Secondary School level (completed secondary school plus or incomplete degree) ▪ Junior School level (completed junior school or incomplete secondary school) ▪ Primary School level (completed primary school or incomplete junior school) 	3% 1% 23% 13% 21%
Profession/Occupation (as self-identified) <ul style="list-style-type: none"> ▪ Agriculture ▪ Trade ▪ Arts & Craft ▪ Education ▪ Home Duties ▪ Admin/Finance ▪ Infrastructure & Transport ▪ Other 	43% 12% 12% 10% 8% 4% 2% 9%
Language Skills (defined as reasonably proficient) <ul style="list-style-type: none"> ▪ Tetum ▪ Bahasa Indonesian ▪ Portuguese ▪ English <p><i>(Note: people may be proficient in more than one language)</i></p>	89% 67% 11% 3%
Respondents training needs (as self-identified) <ul style="list-style-type: none"> ▪ Language Training* ▪ Tailoring ▪ Computer Skills ▪ Carpentry ▪ Administration ▪ Mechanics ▪ Other <p><i>(* language unspecified in report)</i></p>	23% 14% 14% 12% 12% 11% 9%

Tertiary Education: Long Term Capacity Building

Much of the ongoing capacity-building activities are focused on immediate skills upgrading and basic training. However, any comprehensive capacity building programme must focus not only on the immediate needs, but also build up a long-term capacity of East Timor to produce its own trained and skilled personnel. In this respect, tertiary education deserves special attention, particularly given the dearth of senior level professional and management personnel in East Timor.

Previously there were six tertiary level institutions in Dili: the University of East Timor (a private institution); School of Economics; the Dili Polytechnic at Hera; the Health Academy; Primary Teacher Training College; and the Catholic Church pastoral institute training.

¹³ An earlier report by the East Timor International Support Centre (ETISC) Education in East Timor at the end of the Indonesian Occupation indicates that approximately 1% of the population aged 17-70 had a degree.

Only 20% of initially enrolled secondary students continued on to tertiary education¹⁴. There were about 3,500 students at the University of East Timor in 1999. The Dili Polytechnic was established in 1990 with two-year education in accountancy, electronics, and engineering. Students with the adequate resources went to Indonesia to study, often through cost-recovery scholarships.

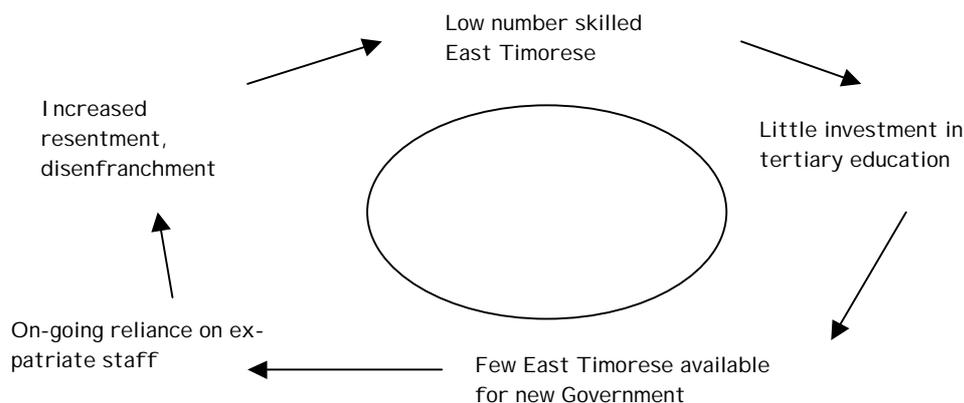
The buildings of the University of East Timor were damaged or destroyed during the events of September 1999. In addition, in the period surrounding the popular consultations, many of the students studying in Indonesia returned home to East Timor. There were 128 East Timorese teachers in the six tertiary level institutions in 1998/99, or 40% of the total. It is estimated there are now 85 East Timorese university teachers in the country¹⁵. No funds were set aside for tertiary education in the initial national budget for 2000-2001. The immediate focus was on enabling those students who had had their education interrupted to return to Indonesia to finish their degrees. Through donor funding, it may now be possible for almost 1,500 students to continue their studies in Indonesia.

It is clear the Transitional Administration and new Government need qualified East Timorese, particularly at the middle and senior management levels, as the low number of skilled East Timorese is often cited as the reason for the low number of East Timorese in ETTA. A vicious circle could perpetuate whereby lack of investment and attention to tertiary education will lead to shortages of skilled personnel leading to an extended reliance on expatriate staff and greater disenchantment.

It is important to bear in mind that capacity building in most cases requires a long-term commitment from both the Government and donors. Such capacity building would include not just up-grading of technical and managerial skills but also the inculcation of a set of norms and values compatible with a democratic system of government and a corresponding public administration that is transparent, accountable and responsive to the needs of the people of East Timor.

There is little possibility of ensuring that at the time of independence a sufficient number of suitably qualified, well-experienced East Timorese will be available to fill all posts at all levels in the public and private sectors. Accordingly, a phased approach, which puts initial emphasis on critical areas, must be adopted.

Vicious circle regarding tertiary education



¹⁴ Social and Economic Conditions in East Timor, 'Social and Economic Situation in East Timor' J. Pedersen and M. Arneberg (eds), November 1999, pg. 86

¹⁵ Fr. Filomeno Jacob, Cabinet Member ETTA, The Special Case of Higher Education in East Timor, presentation of August 2000

Re-opening of university

More recently, there has been a stated commitment to open the National University of East Timor, incorporating the Polytechnic, in November 2000. Clearly this will have to be done with extremely limited funds. An allocation of US\$1.3 million has been made from the national budget to enable the university to operate in the first year. The university will have some 1,500 students in the first year, eventually reaching a student population of 4,500. Priority will be given initially to former students; students previously enrolled in Indonesian universities but who are unable to return to Indonesia; students and teachers who have been involved in teaching; and high school graduates. The intake of high school graduates will be limited to 500 in this first year.

Vocational training

Tertiary education is of course not limited to academic education. There is also a need for technical and vocational training, both at the level of secondary school education and also post-secondary. The vast amount of reconstruction activities currently being undertaken provide ample opportunities for on-the-job training and apprentices for vocational training. Vocational training also provides an excellent opportunity for youth, particularly those outside the formal school system, to contribute to the rebuilding and to gain skills for the future.

This is an important area also for gender considerations, as girls and women are often excluded from technical training. Efforts need to be made to identify specific areas of training for women, which can address traditional and cultural ideas of appropriate work for women, as well as opening up access to all forms of training.

Key Issues and Opportunities for the Future

Capacity building requires more than straightforward training activities. All the elements which have been outlined above need to be taken into account to ensure that East Timorese are fully involved in the development of their country, both in this transition period and beyond. This will entail:

- A coordinated approach to capacity building and training, based on a clear definition of public sector outputs and competencies required;
- An understanding of both the opportunities and the limitations related to the multiple languages now in use in East Timor;
- Laying the foundations from the very beginning for East Timor to be able to undertake capacity building i.e. tertiary education capacity - both academic and technical/vocational;
- Clear and precise strategies to enable the participation of women;
- The development of a national human resource development strategy based on a database/inventory of existing skills and qualifications.

Human Rights

The 1993 World Conference on Human Rights, held in Vienna, was attended by governments and civil society organizations from around the world who recommended that "each State consider the desirability of drawing up a national action plan identifying steps where the State would improve the promotion and protection of human rights".

Members of the East Timorese diaspora came together in Portugal to formulate the Magna Carta concerning Freedoms, Rights, Duties and Guarantees for the People of East Timor, which was adopted by acclamation at the East Timorese National Convention of the Diaspora on 25 April 1998 in Portugal. The Magna Carta adopted the major International Conventions related to human rights. It reaffirmed the rejection of discrimination; freedom of movement and travel guaranteed through democratic legal system; freedom of information and speech guaranteed through legal mechanisms, punishment of authoritarian acts and non-transparent public administration; freedom of conscience and religious belief through constitutional guarantees and the promotion of civic and political education; elevation of customary rules of law as a basis for future Timorese laws to provide a framework for traditional values within new Timor. Citizens duties were defined as: taking part in struggle for self determination; contributing to the reconstruction of East Timor; contributing to national unity, social and political harmony.

*Magna Carta
developed in exile*

The Magna Carta reaffirmed the right to development, including respect for:

- Self-determination and cultural identity;
- Democratic education, national education to eliminate illiteracy etc;
- Right to health care and services to protect mothers and children, laws to give priority to public health and preventive medicine, protection of pregnant women, young mothers; technological development in health;
- Right of elderly to protection, development of social system to care for them;
- Rights of disabled, orphans and widows to be protected and treated humanely;
- Right to own property based on rules that balance public and private, social and individual goals;
- Respect for culture, customs, traditional, religious values of majority and minority;
- Solidarity, co-operation, harmony between different religions and with agnostics and atheists, while upholding the principle of separation of State and religion;
- Respectful handling of foreign citizens who decide to reside in East Timor;
- Pluralistic society balancing tradition and modernity;
- Right to justice.

Human Rights During the Indonesian Period

The human rights abuse that took place in East Timor during the Indonesian annexation is well documented, including reports from 1975 to 1989 when the country was effectively closed to the outside world. It is estimated that as many as 200,000 people may have died as a result of the annexation by Indonesia, and subsequent conflict. This gross violation of human rights became more glaring to the outside world after the massacre of over 100 unarmed civilians at the Santa Cruz cemetery in Dili in 1991. There were also reports of the systematic use of torture of political detainees and the illegal detention of thousands of suspected government opponents under the Anti-Subversion Law and other laws.¹⁶

*Widespread abuse of
human rights*

¹⁶ War, Peace and Security Guide, by Information Resource Center, Canada.

Ordinary East Timorese suffered daily under the occupation from intimidation, restricted movement, discrimination, and violence. As is often the case, rape was used by the military as a method of torture and intimidation against the local population. Female relatives of political opponents were raped by the military as a form of revenge or to force their relatives out of hiding. Rape was often unreported because of fear of retaliation.¹⁷ The East Timor Human Rights Centre and others have also received complaints of human rights abuses perpetrated against women in East Timor in the implementation of the Indonesian national family planning programme.¹⁸

The Impact of the Crisis

Arbitrary killings

Intimidation and violence had been escalating since early 1999, after Indonesian President Habibie's announcement of a proposal for greater autonomy or independence, and continued through September of that year. An International Commission of Inquiry on East Timor compiled information on violations of human rights in late November. Among some of the key incidents highlighted and testimonials provided from the Commission of Inquiry are the following:

- Militia groups were particularly active in Liquisa as early as February. People took refuge in the town church. Witnesses report that on April 6th shooting by militia and TNI resulted in at least 15 deaths, and several wounded.¹⁹
- Some 6,000 people in Maliana in Bobonaro District had taken refuge in the police station. On September 8, 1999, over 100 militia entered the police station. It was surrounded by militia, the Mobile Police Unit and the TNI. People were attacked with machetes, while others were forced to watch. Forty-seven bodies were later found in the river.
- After the announcement of the results, some 5,000 people sought refuge in the premises of Bishop Belo in Dili. The Bishop held a meeting with TNI soldiers who promised they were there to protect people from the militia. When Bishop Belo was taken away, witnesses claim that TNI officers ordered and directed an attack on the compound. At least five were killed.
- Investigations were carried out into the killing of nine persons, including nuns and priests, on September 25, 1999 in Los Palos.
- Several hundred persons had sought refuge in the church in Suai. A witness reported that women had been separated from the men, and the men had been shot. Machetes, guns and grenades were used to attack people who were fleeing. The church was set on fire. Some of the women survivors were taken to the military headquarters and sexually abused. Militia and TNI removed bodies from the church and 26 have been exhumed in West Timor.

A 26-year-old woman's story

"On the afternoon of 10 Sept., 1999, the militias attacked the school compound. ... The TNI soldiers outside did nothing. They looked the other way. They came in with swords, which they were swinging at people. ... The people inside the compound were panicking and some were so scared that they jumped over the fence, which had wire on the top. Some parents were so terrified for the safety of their children that they just hurled their babies and young children over the fence. Many of them were cut on the wire or hurt when they fell on the other side. The army... were shooting in the air trying to frighten and panic people and looting all our possessions".

Source: Amnesty International Testimonials, Oct. 1999

¹⁷ E/CN.4/1999/68/Add.3 21 January 1999: Report of the Special Rapporteur on Violence against Women, its Causes and Consequences, Ms. Radhika Coomaraswamy

¹⁸ Sisson, M., *From One Day to Another: Violations of Women's Reproductive and Sexual Rights in East Timor*; East Timor Human Rights Centre, 1997, as quoted in UNFPA draft project document (not yet for circulation)

¹⁹ UN General Assembly A/54/726, S/2000/59, 31 January 2000 "Report of the International Commission of Inquiry on East Timor to the Secretary General".

It is difficult to determine accurate figures on the number of deaths. This is due to the fact that individual graves are scattered throughout the country, making forensic investigations more difficult. Estimates are that 1,500 people died, though it is acknowledged that many bodies have likely not been found.²⁰ Other estimates of total death figures are much higher.²¹

The International Commission reported that “because the men fled to the mountains, the women were targeted for sexual assault in a cruel and systematic way. ... While in general, the militia refrained from killing women, they were subjected to humiliation and different forms of harassment that includes stripping, and sexual abuse. Women and children were also victims of forced displacement into exile.”²²

The High Commissioner for Human Rights reported to the UN General Assembly on 17 September 1999²³ that “...Women were raped and sexually harassed by militia and Indonesian military in Dili between 7 and 10 September 1999. Sexual violence allegedly also occurred during the forced movement of people to West Timor. Reports have been received that many women were raped by militia on a boat taking displaced persons from Dili to West Timor. Furthermore, information has been received that women are being raped in the camps in West Timor”. In addition, the report noted that the High Commissioner had heard reports that there were three camps between Suai and Atapupu where young women had been held against their will by the militia and raped repeatedly.²⁴

The evacuation in September 1999 of over 250,000 people to West Timor by sea and road was forced and pre-planned. People were herded on to ships and trucks and brought across into West Timor. The International Commission on Human Rights received documents indicating the systematic planning done by the TNI for this evacuation. People became hostages for the militia, and although many returned to East Timor, of the estimated 100,000 plus refugees currently in West Timor many are thought to be there not of their own informed and free will, but due to the intimidation and false propaganda of the militia leaders.

Current Situation Regarding Human Rights

At the CNRT Congress of August 21-30, 2000, the organization committed itself to ensuring the establishment of a democratic state in East Timor based on the rule of law, in accordance with international law, UN resolutions, the Magna Carta and the wishes of the Timorese people.²⁵

The first regulation adopted by UNTAET referred to the duty of respecting international human rights and conventions, and stated that: “All persons undertaking public duties or holding public offices in East Timor shall observe internationally recognized human rights and standards, as reflected in particular in the Universal Declaration on Human Rights, International Convention on Civic and Political Rights, International Convention on Economic Social and Cultural Rights, and Convention on the Elimination of All Forms of Racial Discrimination, Convention on the Eradication of Discrimination Against Women, Convention Against Torture and other Cruel, Inhumane or Degrading Treatment or Punishment, Convention on the Rights of the Child.

A memorandum of understanding has been concluded between Indonesia and UNTAET on cooperation in legal, judicial and human rights matters. Although certain steps have been taken by Indonesia to identify and prosecute those responsible

Gender-based violence can be defined as:

“...violence involving men and women, in which the women is usually the victim and which is derived from unequal power relationships between men and women. Violence is directed specifically against a woman because she is a woman, or affects women disproportionately. It includes, but is not limited to, physical, sexual and psychological harm (including intimidation, suffering, coercion, and/or deprivation of liberty within the family or within the general community). It includes that violence which is perpetrated or condoned by the state...” (UNFPA Gender Theme Group)

A culture of human rights

Ending impunity

²⁰ UN General Assembly, A/54/660, 10 December 1999, “Situation of human rights in East Timor”, Note by the Secretary General

²¹ The East Timor International Support Centre estimated the figure at between 5,000 and 50,000 deaths, “The Systematic Annihilation of the East Timorese Nation, ETISC, 15 September, 1999, Darwin, Australia

²² UN General Assembly A/54/726, S/2000/59, 31 January “Report of the International Commission of Inquiry on East Timor to the Secretary General”.

²³ E/CN.4/S-4/CRP.1

²⁴ This information provided in UNFPA project document (not for distribution)

²⁵ Proceedings from the CNRT National Congress, August 21-30, 2000, “Commission 1: Recommendation No.1, Proposal for the constitution”, CI/07/est (final)

for human rights violations in East Timor in 1999, many observers have judged that much more could be done, particularly in identifying senior level people responsible. In the event of the actions of Indonesia not being sufficient to bring those responsible to justice, the establishment of an International Tribunal is possible. A special panel on serious crimes has been established under the District Court of Dili, which will have exclusive jurisdiction (in East Timor) over serious crimes (defined as genocide, war crimes, and crimes against humanity, murder, sexual offences and torture) which were committed in the period between 1 January 1999 and 25 October 1999. The first pre-trial hearing took place end of July.

UNTAET has established an investigation and human rights monitoring unit to examine the 1999 human rights violence and to monitor ongoing violations and develop strategies to prevent future abuse²⁶. The cases of 627 people who died between April and September 1999 are being investigated. Investigations have faced a number of difficulties including poor transportation and communications facilities, turnover of staff, unavailability of witnesses, lack of investigators skilled in handling cases of sexual violence and lack of prison facilities. By the end of March, 2000, there was a backlog of more than 200 cases awaiting review.

Violence against women

At the First Congress of Women of Timor Loro Sae, 14-17 June 2000, a Platform for Action for the Advancement for Women was adopted which draws attention to the gender-based violence, including domestic violence, experienced by many women during the years of conflict and the need for urgent action in this area. Amongst other issues, the Platform of Action calls for justice, protection and support for women victims, law reform and mass community education on women's rights. Other recommendations included: that every sexual crime during 1999 be investigated and heard in an international court; to protect the refugees in West Timor, especially women who are victims of sexual violence; and, to guarantee the safety and protection of victims throughout the investigation process and trials.

High priority is being given by UNTAET to the recruitment of experienced sexual assault investigators. A special unit has been established within CivPol to address both past and current cases. ETTA's district human rights officers have been instructed to give particular attention to this issue and are working in collaboration with local NGOs.²⁷ As the UN High Commissioner for Human Rights, Mary Robinson, said, regarding women survivors of gender-based violence, "the new East Timor society must ensure that women survivors of such violence are not further victimized and discriminated against, but instead welcomed into society as equal partners. This requires that new laws be adopted which protect women from all forms of violence and that the spirit and letter of the law pervades society".²⁸

UNTAET's human rights office has identified the following urgent needs²⁹

Urgent needs

1. Investigation of sexual violence.
2. Establishment of a center for the rehabilitation of torture victims.
3. Alternative mechanisms for handling less serious crimes.
4. Human rights training programs for Civpol, East Timor's new police and the judiciary.
5. Monitoring the conformity of UNTAET regulations and the applicable law in East Timor with international human rights standards.
6. Establishing of an ombudsman office.
7. Translations of international human rights standards into local languages.
8. Publications of UN books on human rights.
9. Establishment of a human rights library accessible to NGOs.

²⁶ UNTAET/World Bank, "Background Paper for Donors' Meeting on East Timor", June 2000

²⁷ Economic and Social Council of the UN "Question of the Violations on Human Rights and Fundamental Freedoms in Any Part of the World: Situation of Human Rights in East Timor, Report of the High Commissioner for Human Rights, E/CN.4/2000/27, 29 March 2000.

²⁸ Speech by Mary Robinson, UN High Commissioner for Human Rights, "Building the Future of East Timor on a Culture of Human Rights", Workshop on Human Rights and the Future of East Timor, Dili, 7 August, 2000.

²⁹ Source: E/CN.4/2000/27 29 March 2000 "Situation of human rights in East Timor, Report of the High Commissioner for Human Rights".

National NGOs are playing an active role in the justice and reconciliation process and the promotion of human rights. These include human rights groups, women's groups and student organizations. Fourteen NGOs have submitted an open letter to the Secretary General of the United Nations on human rights discussions with UNTAET relating to the justice and reconciliation issues.

National NGOs

The issue of human rights does not, of course, just apply to past crimes. There is a need to ensure that protection for human rights is built into the foundations of the new East Timor. Within East Timor itself, there is some concern over the position of minorities and the promotion of an open political dialogue. A recent report of the Secretary General³⁰ states that :

Minority rights

"Regrettably there have been disturbing cases of intimidation against groups and parties not under the CNRT umbrella. CPD-RDTL, a group that split from FRETILIN, has encountered sometimes violent CNRT opposition, especially in the Suai area. In June, unknown assailants vandalized the Dili office of the Student Solidarity Council, one of the strongest pro-independence groups in East Timor prior to the popular consultation. In March, death threats were directed against staff of the Catholic Radio Timor Kmanek to prevent announcers speaking about politics on the radio. Ethnic and religious minorities have also been the targets of harassment and intimidation. On June 8th, the Protestant churches in Ermera and Aileu were burned. There were also several attacks on the mosque in Dili, and ethnic Chinese were threatened and harassed."

It would appear that discrimination against Chinese, Muslims and Protestants is based on a historical perception of these groups having been economically and political advantaged under the Indonesian period, rather than an ethnic based discrimination. Nevertheless, the protection of minorities will be a key issue for East Timor.

Children rights should be respected and incorporated centrally into the development of the new East Timor. "Children hold the key to changing the future; children should grow up free from fear of discrimination of any kind"³¹. Children have suffered from the trauma and terror of the crisis of 1999 and the Indonesian occupation. Many have had no childhood, having had serious responsibilities for smuggling food and supplies to the resistance fighters during the occupation. Children need an outlet and a means to overcome the trauma they have experienced.

Child rights

There is now a free press in East Timor, though the scope and reach is somewhat limited. There are two local newspapers and two news magazines. UNTAET has newsletters, a radio station, and some limited TV broadcasting. Traditionally, radio was the most effective means of mass communication as in 1998, 30% of women and 41% of men listened to the radio weekly, whereas only 10% and 17% respectively read the newspaper.³² The media could be used to help build national identity, community and civic education, further development initiatives and share experiences with other countries.³³

Freedom of expression

³⁰ Report of the Secretary-General on the UNTAET for the period 27 January - 26 July 2000, UN Security Council, S/2000/738

³¹ UN High Commissioner for Human Rights, Dili, August 2000

³² SUSENAS, 1998, as reported in Jon Pederson and Marie Arneberg, Social and Economic Conditions in East Timor, November 1999, Columbia University, New York

³³ Communication and Information Systems Plan for East Timor, by Marcelino X. Magno and Ignatius Haryanto, from website East Timor Study Group (original in Bahasa Indonesian)

"Building a culture of respect for universal human rights standards calls for action on a number of fronts. It is crucial that all work together to plan a legal framework, a Bill of Rights, built into the Constitution and reflected in law which protect all rights - economic, social, cultural, civil and political". *Mary Robinson, UN High Commissioner for Human Rights, Dili, August 2000.*

Key Issues and Opportunities in the Future

The strength, depth and breath of the civil resistance movement is a tremendous base upon which the country can draw in developing a culture of human rights. The fact that solidarity groups and international organization have long followed the issues in East Timor also provides an important network of support for future initiatives, and a good understanding of issues.

There are several issues related to improving the respect for and creating a culture of human rights in East Timor. Some of the key issues include:

- Establishing a Constitution that upholds the full range of civil, political, economic, social and cultural rights of all East Timorese, including guarantees for their protection;
- The judiciary having the power to review laws to ensure that they comply with the human rights enshrined in the Constitution;
- Supporting children who have suffered trauma in the past and ensure what human rights programmes also address child protection;
- Building the local capacity to monitor human rights;
- Developing and implementing a comprehensive human rights plan of action, based on East Timorese values;
- Ensuring justice and reconciliation, particularly for serious crimes committed in 1999;
- Building a culture of human rights, civic duties and responsibilities through widespread civic education campaign;
- Addressing the multifaceted issue of gender-based violence in a systematic manner.

UNTAET's Human Rights Unit and the East Timor Jurists Association (ANMEFTIL) have recommended that the CNRT address six human rights themes. These include: non-discrimination and equality before the law; freedom of expression, association and assembly; economic, social and cultural rights; legal protection for human rights; making a Constitution for East Timor; truth, justice and reconciliation.³⁴ They have also called for the development of a practical, national action plan in order to "achieve genuine and substantive improvements in the observance of human rights". Human rights activists have suggested the key elements of such a plan would include:

- Full consultation with and involvement of civil society and the community;
- Involvement of the judiciary, police and government agencies
- Multi-party political support;
- A baseline study to assess the present situation and needs;
- Adequate resources;
- A public information program;
- Realistic targets and an effective monitoring programme;
- Establishing a National Coordinating Committee to manage the process, led by a person with profile and influence.³⁵

³⁴ "Human Rights and the Future of East Timor: Recommendations to the CNRT Congress from ANMEFTIL and UNTAET Human Rights Unit Workshop on Human Rights", Dili, 7-8 August, 2000

³⁵ "A National Action Plan for Human Rights: What a Good Idea", Pat Walsh, August 2000 (acknowledgements to Bill Barker, Human Rights International).

UNFPA recommends that : “ in order to investigate, document and effectively address the experienced gender-based violations and to prevent a continuation of various forms of violence, a coordinated multi-disciplinary national approach is urgently required. Legal action should be taken as well as policy and programme interventions developed for education, health, social welfare and community development, with the active participation of national and local government, NGOs and the communities”.³⁶

Civil Society

Civil society in East Timor is composed of, amongst others, national NGOs, the Church, church groups, women’s groups, student groups, community organizations, amateur sports clubs, professional associations, the Chamber of Commerce, private sector, traditional leaders, media and journalists, and the people of East Timor. In a recent debate on the role of civil society in East Timor³⁷, it was suggested that there are three possible ways at looking at civil society:

- *Government perspective* where people are seen in their role as voters, taxpayers, and that often sees citizens as children to be taken care of, but kept in their place. Civil society is tolerated as long as it does not become too vibrant or vigorous;
- *Business perspective* which sees people as supplying labour and consumers of products. This perspective is gaining prominence in the era of globalisation;
- *Civil society concept* that sees community as being important, that people have rights, and that without civil society, the state will ultimately collapse.

Civil Society in the Indonesian Period

As seen in the chapters on history and human rights, East Timor has a very weak tradition of democracy given its long history of colonialism, occupation and large military presence. In East Timor, civil society was largely organized around the resistance movement. The Church in East Timor was, and remains, a crucial entity in civil society, having fought against the oppression imposed by Indonesian military authorities. Student groups and political parties were seen to be subversive and were repressed. Civil society was limited and restricted in its movements and assembly. Lists of subversive organizations were maintained and leaders intimidated. The very few national NGOs that existed tended to be service delivery rather than advocacy orientated.

Impact of the Crisis on Civil Society

The overwhelming majority of people voted for independence in the consultation, allowing the voice of civil society to be heard. During the events of September 1999, the national NGOs, associations and most groups lost everything - offices, documents, and equipment. The militia and elements of the TNI targeted student activists, human rights organizations and the Church before the consultation and after the results were announced.

³⁶ This information provided in UNFPA project document (not for distribution)

³⁷ “Civil Society Organisations in East Timor”, Pat Walsh 26 August, 2000, Dili

Current Situation Regarding Civil Society

The concept and understanding of civil society is still growing and developing its own identity in the aftermath of the Indonesian period and 1999 crisis. Many of the civil society strengthening activities are focused on national and local NGOs. However, it is important to remember that there are many other civil society actors. Alongside local and national NGOs, research conducted during the CCA identified 56 other civil society organizations, of which ten are student groups, eleven professional associations, 15 were activist (human rights, or politically oriented), four were women's groups, eleven were sports clubs, three were church-based, and two were environmental groups. Over 70% of these organizations were established in 1999 or 2000.

National NGOs emerging

There are currently over 170 local and national NGOs informally registered³⁸ in East Timor. It is to be expected that among this large number of NGOs are a certain number which will not be sustainable in the long run. Only those which are strongly rooted in a community or interest groups will develop and grow. As part of the process of strengthening and focusing the activities of national NGOs, a National Forum of NGOs has been established with the mandate of information sharing and training. It is estimated by some that less than half of these NGOs are functioning effectively. Many are Church-based projects, rather than organizations as such; others are ad hoc initiatives developed for personal reasons, without Boards, membership base, funding, or operations. Many new NGOs are run by students whose studies have been interrupted, and who will most likely eventually return to their studies. Many NGOs are based in Dili, and have weak links to the rural areas. Most are under-resourced. Nevertheless, the number of NGOs does indicate a certain vibrancy in civil society and a indication of the interest of the East Timorese in being fully involved in the development of their country.

Community leadership

A major initiative is underway by UNTAET, financed by World Bank and the ADB, called the Community Empowerment and Local Governance Project, or CEP. The objective is:

“to establish equitable, transparent, participatory, and accountable local Timorese governance structures. In the beginning the councils will be a way for communities to rehabilitate basic economic infrastructure and restart economic activities. Later the councils will provide a framework through which communities can express their development needs and implement decentralized projects”.

Over US\$7million is to be spent under the first part of the project. In almost every *Aldeia* across the country, people have chosen an equal number of men and women to sit on a Village Development Council, (*Conselho do Suco*). Over 350 councils have been formed, with over 4,900 council members. An estimated 2000 separate election processes have taken place. Council members determine development needs, strategies to address them, those areas that can be done with local resources, and those requiring external assistance from the CEP. Over 474 separate projects have been funded. Of these projects, 42% are for meeting halls, 19% for restoring household and productive resources destroyed in the violence of 1999, 8% for feeder roads and rehabilitation of the agriculture sector; 11% for water works repairs, and 14% for schools and clinics.³⁹

³⁸ There is not as yet any official registration of NGOs, national or international. This number refers to the NGOs who have listed themselves at the NGO Forum

³⁹ World Bank “TFET Performance Indicators” August 2000

The role of traditional leaders and traditional organizations is somewhat in flux. Anyone with an acknowledged leadership position in the *Aldeia*, *Suco* or *Posto* cannot become a Council members, though the Council will work with the village leader. A better understanding of the relationship between the Council structures and pre-existing traditional leadership would be useful.

Due to the centralized approach of the Indonesian period, there has been little historical experience with participatory, community development processes in East Timor. In addition, the review team of the Consolidated Appeal Programme (CAP) found that the Church, CNRT, and national NGOs were not drawn on enough by the humanitarian agencies during the emergency assistance period of 1999 and early 2000. As is often a common occurrence (albeit unintended) during emergency humanitarian programmes, communities in East Timor were not well informed of the work of the relief agencies (their role, limits of their work, their responsibilities, what they were trying to achieve), which led to confusion and alienation.

Community participation

Given the need to carry out development initiatives quickly, it has been easy to justify making short-cuts in community participation. In the longer term, resources will be wasted unless issues of community participation are promoted by the donor and NGO community. Such a process will help to strengthen civil society. Given the lack of formal community-based organizations in the Indonesian period and lack of real community participation, there is a shortage of skilled persons with community participation and empowerment training skills. However, the experience of the East Timorese in the resistance struggle and the local level structures which were set up in this time, are strengths to be drawn on and developed. In addition, the CEP has already trained 87 Timorese facilitators. For effective community participation, training should not just be restricted to the community but should also involve decision makers. District administration staff, NGOs, and public servants should all have a grounding in community development.

Key Issues and Opportunities

The great enthusiasm by members of civil society to become engaged in the rehabilitation, development and empowerment process provides a tremendous opportunity to be built upon. The involvement of women and men in the village councils, provides an important opportunity to re-analyse gender roles and include women more actively in decision-making. The historical strength of the resistance movement and of the Church provides important pillars of civil society. The existence of the National Forum of NGOs and of the CEP provide good opportunities for further strengthening civil society.

The development of a vibrant civil society in East Timor will take time. It will be essential that people in rural areas have clear and transparent means to influence change at the local level and in Dili. Training of NGOs and development of their links to their constituencies will be needed for some time to come. In order to play an active role in checks and balances on the political leadership, civil society will require fora to discuss public policies and stimulate a national debate that goes beyond the relatively active groups and associations in Dili.

It is important to widen the focus of civil society activities beyond NGOs and take into account the full range of actors, which make for a vibrant and active civil society.

Areas of Current and Planned UN Agency Support

Governance and capacity building

- All the UN Agencies will provide support to capacity building in a variety of ways for the respective institutions and Timorese staff they work with;
- As almost 50% of all UNTAET staff are UNVs. UNV plays a significant role in capacity building, particularly at the district level;
- UNFPA will provide training to health care providers and to the population census efforts;
- UNOPS will strengthen the government's procurement capacity;
- WHO will provide a variety of support in the area of Human Resource Development and institution building in the health sector;
- UNFPA will support gender mainstreaming for women's groups;
- UNICEF will provide capacity building support for the water and sanitation sector and to civil society organizations;
- UNDP will provide the following: Support to the National Council; Institutional development; human resource development; public resources and records management; public-private synergies; mentor training, rehabilitation of courts, support to legal libraries.

Human rights

- UNDP will help to educate citizens, especially about the new constitution, their rights and responsibilities and increase awareness and understanding of the principles of participation in a democratic society;
- UNICEF will support child protection projects including: child friendly spaces, psychosocial support, rights awareness and policy/advocacy support;
- UNFPA will support a programme to address gender-based violence.

Civil society

- UNDP will undertake the NGO capacity building project;
- UNICEF will undertake leadership training and capacity building for NGOs, youth groups, and disadvantaged women's groups;
- UNFPA will provide capacity building and training to women's groups;
- UNHCR will provide training and capacity building to NGOs working with refugees;
- UNIFEM will undertake capacity building for women's NGOs to enable them to participate effectively in the political process.