

# **Institution Building Problems in East Timor, 1999-2002**

Shortened version of a Phd thesis written in 2002-2008 by

Terry Russell (terryrus@hotmail.com)

(supervised by Dr Damien Kingsbury, Deakin University)

## Table of contents

Abstract	...3
1 Introduction	
1.1 Study Topic	
1.2 Topic Justification and Context	...4
1.3 Defining ‘Institutional Building’ and listing best practices	
2 Overview of East Timor’s institution building needs on 28 Sept 1999	...9
- Government Institutions	
- Private Enterprises	
- Civil Society Institutions	
3 Ineffective practices affecting mainly building of <b>government institutions</b> :	...18
- Ineffective practice number 1 : The UN’s focus on its institution building task began late and was scaled down too early.	
- Ineffective practice number 2 : The UN recruited many institution builders who lacked understanding of local culture and language, lacked teaching or technical skills, or lacked commitment.	
- Ineffective practice number 3 : The UN was slow to give government decision-making experience to Timorese.	
- Ineffective practice number 4 : The UN, though trying to teach East Timorese about government, set a bad example in terms of bureaucracy, economic waste, authoritarianism and lack of transparency.	
- Ineffective practice number 5 : Systems often proved, as international assistance was reduced, to be unclear, ineffective or unsustainable.	
4 Ineffective practices affecting building of <b>government institutions</b> , <b>private enterprises</b> and <b>civil society institutions</b>	...109
- Ineffective practice number 6 : The type of training / mentoring provided to members of local institutions, or the particular Timorese staff chosen to participate in training programs, were frequently not the most appropriate.	
- Ineffective practice number 7 : International institutions produced a bubble economy.	
- Ineffective practice number 8 : The quality of monitoring and evaluations of capacity building programs (including the quality of performance indicators) was frequently poor.	
- Ineffective practice number 9 : There was a frequent lack of communication within UNTAET and between institutions.	
- Ineffective practice number 10 : Many aspects of a supporting environment for institution building were given insufficient attention.	
5 Conclusion	...195
Glossary	...204
Bibliography	...205

## ABSTRACT

---

When East Timor was handed over from Indonesian to de facto United Nations control on 28 September 1999, the half-island territory was economically and institutionally underdeveloped. Development theorists declared it 'Ground Zero' but at the same time viewed East Timor's predicament as a golden opportunity to construct a vibrant democracy and economy from scratch, with the UN taking on an unaccustomed role as a de facto government and the World Bank keen to showcase the advantages of small government and global economic integration. It was widely agreed that institution building was a key ingredient of reconstruction, but the success of institution building in East Timor was undermined by a number of ineffective practices. In this study, these practices have been divided into five that were common mainly in the building of East Timor's government-in-waiting and five more that were common in the building of East Timorese institutions in general.

Almost all of the ten practices that undermined institution building contradicted best practice advice that was already known to institution builders in the 1999-2002 period. The fact that this best practice advice was unable to be followed consistently suggests that international organizations had other priorities that conflicted with institution building. The most common conflicting priorities were found to be donors' frequent preference for short program timelines, some individual capacity builders' preference for 'the easy path', and UNTAET's need to fulfill other UNTAET mission objectives like maintaining security and administering the territory.

## Introduction

“We already know the principles of project success: engage with local realities, take your time, experiment and learn, reduce vulnerability and risk, and always work on social and material development together. The real issue is why so many agencies cut corners on these principles, and the answer to that question ...lies in the short-termism, control orientation, and standardization that have infected development work for a generation or more.”

- Michael Edwards, *Future Positive: International cooperation in the twenty-first century*, London: Earthscan, 1999, p.86.

### 1.1 Topic of this Study

---

East Timor is the first new nation of the 21<sup>st</sup> century. A major step towards this independence was taken in September 1999 when the Indonesian military withdrew from East Timor after a 24-year occupation. Unfortunately for East Timor, the Indonesian military oversaw a large-scale campaign of arson, looting and forced deportation as it withdrew. This left East Timor in September 1999 with its economy, institutions and infrastructure in ruin. The rebuilding of East Timor in preparation for its independence would require extensive foreign aid.

A significant component of the foreign aid was assistance with the development of sustainable, effective local institutions. This study examines various institution building programs in East Timor from 28 September 1999 to the end of 2002. *It identifies a number of practices by international development institutions which actually hindered institution building not just in one program but across a range of programs in East Timor.*

The study then argues that a root cause of many of these negative practices was not individuals' bad planning or lack of knowledge. *This root cause was at an institutional level, specifically that other priorities within international organizations frequently overrode institution building priorities.*

## **1.2 Topic Justification and Context**

Research for this study was largely carried out at a time, 2002-2005, when international organizations were patting themselves on the back for their achievements in East Timor. Up to US \$ 2.2 billion of international aid was sent to East Timor from 1999 to 2002 and only a month before independence, the UN praised its staff for their, “Outstanding contribution in helping East Timor to overcome its tragic past.”<sup>1</sup> As late as April 2006, World Bank president Paul Wolfowitz was still praising the reconstruction of East Timor as, “A remarkable story”.<sup>2</sup> However, the virtual collapse of national government in May 2006 highlighted the need to reflect more critically on how well East Timor’s institutions had really been prepared for independence.

The topic of this study, institution building in East Timor, is also particularly worthy of interest because in many ways the effort was a huge experiment. First, international organizations were very heavily involved in the effort and some were to adopt relatively new roles – such as the UN’s undertaking to temporarily administer the country. Second, East Timor was to be rebuilt from an unusually low level of economic and institutional development. Third, the rebuilding occurred in the period immediately following the Asian economic crisis of 1997-98, a period when existing international development approaches were being brought into question.

In the longer version of this study, there is an outline of these three relatively new situations for international development, and an exploration of an appropriate definition for institution building. There is also an examination of best practice lessons available to institution builders in the 1999-2002 period, drawn both from aid theory and from case studies like Cambodia’s and Indonesian-occupied East Timor’s experiences in the 1990s. However, in this version, there is just a definition of institution building and a summary of these best practices in institution building.

---

<sup>1</sup> *Report of the Secretary General on the United Nations Transitional Administration in East Timor*, 17 April 2002, p.17.

<sup>2</sup> Donnan, S., ‘Dili dilemma: how blunders in building a nation are being brutally laid bare The UN’s withdrawal of an interim administration four years ago now seems premature as Timorese are convulsed by anarchy,’ *Financial Times*. London (UK): Jun 12, 2006. p.17.

### **1.3 Defining institution building and listing best practices** .

For this study, effective institutional capacity building programs will be those which :

*“Increase the quality or quantity of services an institution offers, paid or unpaid, to the community, or which increase the institution’s ability to survive long term.”*

Conversely, the search for practices which hindered institutional capacity building will be *a search for practices which reduced the quality or quantity of a local institution’s services or reduced the institution’s ability to be self-sustaining.*

From the above definition of institutional capacity building, it is clear this study will not be examining programs that provided emergency supplies, peacekeeping soldiers or civic education. Nor will it be examining programs that rebuilt private dwellings or facilitated the return of refugees. The programs examined will be those where the stated aims included capacity building for the East Timor government and other local institutions.

This study will focus on a broad range of institution building programs, including those aimed at developing individual staff capacity, organisations’ internal systems, and aspects of an ‘enabling environment’ like external linkages and legal frameworks. Such a broad list will still fit within the overall definition of institution building programs as those which, “Increase the quality or quantity of services an institution offers, paid or unpaid, to the community, or to increase the institution’s ability to survive long term.”

In summary, this study will programs that involved any of the following objectives:

*A. To develop individual members (in terms of **attitudes and abilities**) of local institutions:*

- (i) This means to recruit and retain capable members/staff for the target institution;
- (ii) Also, to develop positive attitudes and useful abilities for these members, including developing their understandings of the organization’s systems (see below) and of contextual issues (like aid concepts and local conditions);

*B. To develop **internal systems** (both written and implemented) of local institutions:*

- (iii) This means to develop effective procedures, policies, governance structures, job descriptions, fundraising avenues and common values to guide the actions of the institution and its members. Procedures would include administrative and financial steps,

while policies would include staff employment conditions and workplace safety guidelines;

(iv) Also, to organize various permits and registrations for the organization and its members to help protect them under local laws. For example, the risk of future legal problems can be reduced through defining the legal status of the organization, and gaining approvals for particular office locations or types of ongoing activities.

*C. To develop an ‘enabling environment’:*

(v) This means to develop linkages to enable effective, ongoing coordination with other institutions both within and outside the country. Longer term linkages may include development of shared media outlets, long term arrangements for sharing resources or office space, membership of particular networks or regular coordination forums, and building of personal relationships with members of relevant organisations.

(vi) Also, to support development of conducive operating conditions. Conditions to be developed may include strong nationwide law enforcement, good local infrastructure, protection of rights to gather and to speak freely, a stable inflation rate and positive public attitudes towards government.

Whilst the author recognizes that much institutional capacity building in East Timor was purely financed and carried out by local organizations, this study will focus on programs carried out, or at least financed, by international organizations. This focus is not because internationally backed activities were considered more effective but because this study is written for an international audience wanting to know how international organizations can improve their results.

Finally, institution builders who had studied aid theory and recent cases of institution building would have gleaned an understanding of best practice in institution building. This understanding would, in short, have looked something like the list below and would have served as a kind of road map to help plan East Timor’s reconstruction. It included relatively new ideas, like growing awareness of the ineffectiveness of implementing projects in a non-conducive socio-political system and of the limitations of a purely macroeconomic focus. But most of the lessons below had been available since at least the end of the Cold War. When capacity builders failed to adopt widely known best practice, were there underlying reasons? – Was one of the main underlying reasons that sometimes best practice conflicted with aid agencies’ other priorities ?

### Lessons for Program Planners and Implementers :

1. To develop skills and positive attitudes within local institutions –
  - a. Increase amount of long term and ‘on the job’ learning, for institute members instead of ad hoc workshops. Beware of technical assistants who take over locals’ responsibilities.
  - b. Assist with the recruitment and retention of quality staff for the institution.
2. To develop coordination and systems of local institutions –
  - c. Increase levels of coordination and cooperation (within local institutions, between local institutions, between local and international institutions and between donors). Help build structural linkages that will facilitate long term coordination.
  - d. Broaden funding sources and leadership base of local institutions.
3. To develop skills, positive attitudes, coordination and systems of local institutions –
  - e. Aim for ‘human’ development (improving all lives), not just macroeconomic development.
  - f. Consult carefully with locals during the design and implementation of capacity building programs (ie. Use the ‘participatory approach’). This will increase local commitment and facilitate building upon previous structures, skills and procedures (and reduce danger of impractical procedures and laws being implemented).
  - g. Build supporting environments. Individual projects are unlikely to have a long term impact if they do not occur within a supporting environment.
  - h. Increase aid agencies’ accountability (both to locals and the international community) through improved monitoring and transparency.
  - i. Ensure capacity builders / mentors understand local culture and language and have sufficient teaching skills, technical skills and commitment.
  - j. Minimise, where politically possible, the influence of donor and implementer priorities (including speed and extent of international funding) that conflict with development priorities.



## **Overview of East Timor's institution building needs on 28 Sept 1999 and some programs to meet these needs**

International organizations such as UNDP (the United Nations Development Project) and the World Bank, which led the reconstruction effort in East Timor, identified three broad categories of institutions that needed to be developed: *Government, Private Enterprise and Civil Society*. This brief chapter will examine East Timor's needs in the same three broad categories as well as the broader environment in which these institutions were to be developed.

### **2.1 Government Institutions**

On 20 September, the first international troops arrived in East Timor<sup>3</sup> and on 28 September, as Indonesia continued its withdrawal, it agreed to give the UN *de facto* administrative responsibility for East Timor.<sup>4</sup> Following Indonesia's withdrawal, East Timor had no constitution, political system or functioning bureaucracy.<sup>5</sup> The civil service leaders during the Indonesian occupation, made up of a Jakarta-appointed governor and thirteen district administrators, had all departed East Timor, as had the leaders of the police and military. The law enforcement sector had been devastated, with all experienced judges, prosecutors and defence lawyers having left East Timor. Court buildings, prisons

---

<sup>3</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 6.

<sup>4</sup> Martin, I., *Self Determination in East Timor*, London : Lynne Rienner, 2001, p.115.

For a clarification of the distinction between *de facto* UN control, granted by Indonesia on 28 September, and *de Jure* UN control, which followed Indonesian Parliament's decision on 19 October to withdraw its claim to ownership of East Timor, see *A Review of Peace Operations : A Case for Change - East Timor Study*, Conflict, Security and Development Group, Kings College London, 10 March, 2003, p.17, footnote 19.

<sup>5</sup> Hill, H., "Tiny, Poor and War Torn: Development Policy Challenges for East Timor", *World Development*, vol.29, no. 7, 2001, p.1138.

and legal records were destroyed.<sup>6</sup> With both militias and displaced people stealing at will, the break down in law-and-order was in fact, total.

Similar devastation had occurred in other governance sectors. In the health sector, even before the 1999 violence, the sector's capacity had been low, producing low immunization rates and a massive infant mortality rate of 124 per 1000 infants. During the violence, "Virtually all senior staff left the country, including 130 out of 160 doctors," and there was, "Extensive destruction to the health infrastructure...made worse by a complete loss of all equipment and consumables (drugs)."<sup>7</sup> In the education sector, before the violence, though up to 90% of primary school-aged children had been enrolled in schools, the teaching quality was said to have been poor, and more than half of all adults were estimated to be illiterate. During the violence, "Approximately 95 % of schools and other education institutions were destroyed in the post ballot period", along with a loss of 70-80 % of senior administrative staff and secondary teachers.<sup>8</sup> More generally, archives were burnt, removed, or left strewn about the grounds of burnt public buildings. Re-establishment of the bureaucracy would be difficult because most of the higher level civil servants had been Indonesian and had, over the previous few months, left East Timor for good.<sup>9</sup>

Infrastructure would be an important component of the building of some institutions, like the electricity authority and the water and sanitation board. Some infrastructure, like roads and electricity, would also be needed to support the building of all institutions. Electricity capacity had been supplied to all thirteen districts prior to the independence ballot but post ballot violence had seen most senior staff depart and extensive damage inflicted on low voltage distribution systems throughout East Timor. While ports and airports suffered little structural damage in the post-ballot violence, most of their equipment was lost. There was minimal damage to the water supply, sewerage and road systems, though maintenance of these had been neglected throughout 1999. Telecommunications had been sabotaged by

---

<sup>6</sup> *A Review of Peace Operations: A Case for Change, East Timor, Conflict, Security and Development* Group, King's College London, 10 March 2003, point 217.

<sup>7</sup> "Building a Nation : Health and Education Background Paper", Joint Assessment Mission headed by World Bank, November 1999, pp.1-2.

<sup>8</sup> "Building a Nation : Health and Education Background Paper", Joint Assessment Mission headed by World Bank, November 1999, pp.6-8.

<sup>9</sup> 58 % of Grade IV civil servants and 11 out of 13 district administrators had been Indonesian. See "Building a Nation : Governance Background Paper", Joint Assessment Mission headed by World Bank, November 1999, p.1.

damage to transmission towers, switch boards and telephone cables.<sup>10</sup> Much infrastructure would need to be restored before it could significantly assist institution builders.

To fill the governance vacuum left by the departing Indonesians, the UN set up a Transitional Authority in East Timor (UNTAET). Two of UNTAET's six mandated tasks were, "To establish an effective administration," and, "To support capacity-building for self-government."<sup>11</sup> Thus, while administering the territory, UNTAET decided to set up a parallel Timorese transitional administration that would, after independence, become the government of East Timor. This included setting up a kind of Parliament and, later, a Cabinet as the legislative arms of the government-in-waiting. Other international institutions were also to assist with government institution building, providing capacity building programs not for the overall structure of government but for particular government offices. These international institutions included long established UN organizations like UNDP and UNICEF, as well as the Asian Development Bank and bilateral aid agencies such as AusAID and USAID. International NGOs and the World Bank also helped some government offices but their main development focus was civil society and private enterprise institutions.

In those early months too, internationals would need to understand the psychological environment of the people they were working amongst. Institution building could be aided or hindered by many existing Timorese attitudes and habits. One sociologist from the Timorese diaspora characterized Timorese as:

Strongly opinionated, impulsive(ly) antagonis(tic) vis-à-vis authoritative rule and (toward) foreigners, high rate of post traumatic disorder syndrome, poor notion of citizenship and the good citizen, powerful historical reference and dominant political culture of resistance and occupation, lack of plurality of perspectives and critical analysis, severe practices of corruption and nepotism, dependency syndrome, emerging potential conflicting ideas of political identity and having a high illiteracy rate.<sup>12</sup>

---

<sup>10</sup> "Building a Nation : Infrastructure Background Paper", Joint Assessment Mission headed by World Bank, November 1999, pp.2-20.

<sup>11</sup> According to UN Security Council resolution 1272 (1999) of 25 October 1999. Accessed Jan 2005 at <http://www.un.org/peace/etimor/UntaetM.htm>

<sup>12</sup> Joao Boavida, internal report for the Civil Society Organizations, Sector Activities and External Liaison Section of UNTAET, July 2001, quoted in J., *The UN in East Timor : Building Timor Leste, a fragile state*, Charles Darwin University Press, 2005, pp.80-81.

Other cultural and historical traits were strong family-related demands on individuals: to share wealth, to attend family-related ceremonies and to undermine government neutrality and business principles by doing favours for family members. Institution building would further be affected by locals' preference for oral rather than written communication, even by literate Timorese, and the existence in many workplaces of hidden feuds based on past injustices and on individuals having authority that underlings consider illegitimate.<sup>13</sup>

Timorese traditions, history and political notions would strongly affect the kinds of government institutions they envisaged building, yet many international staff arriving in East Timor period were poorly briefed and knew little about Timor's harsh history.<sup>14</sup> In the early period, many internationals indeed, "Assumed that in political terms it was also a terra nullis, politically an empty quarter, which it most certainly was not."<sup>15</sup> Problems building government institutions, and the conflicting priorities that lay behind these problems, will be discussed in Chapter 3.

---

<sup>13</sup> Observed by the study writer during 3 years in East Timor.

<sup>14</sup> Dunn, J., *East Timor: a rough passage to independence*, NSW: Longueville Media, 2003, pp.369-370.

<sup>15</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, points 296.

## **2.2 Private Enterprises**

The post-ballot violence in East Timor had destroyed many of the components of private enterprise. In agriculture, the coffee industry had lost little of its equipment or 1999 crop. However of the 15 primary level and one secondary level cooperatives set up during Indonesian times to procure, process and export coffee, at least seven had been physically destroyed and managerial and legal structures for all remained unsettled.<sup>16</sup> ‘Widespread shooting of livestock’ and disruption of planting cycles had further undermined private enterprise in the agriculture sector.

Other industries like the manufacturing and service industries had been worse hit. They had suffered greater physical destruction. Also, having previously been dominated by Indonesians, all of whom had left East Timor<sup>17</sup>, these industries suffered from a vacuum of capital, skills and trading networks. Some housing, land and property, mainly in urban areas, was registered but most of these records were destroyed in September 1999.<sup>18</sup> All industries had been undermined by the loss of all banking and communications services, by the disruption of port systems and by widespread looting of transportation and other equipment. Inflation was sky high, because most tradable goods and transportation had been stolen or destroyed, and transporting goods in from Indonesia was expensive and entailed all kinds of risks. Finally, during the Indonesian occupation, the Indonesian Government had provided 85 % of current and investment spending,<sup>19</sup> with flow-on effects to business. It had also provided postal and telecommunications services and subsidized fuel and utilities, yet in September 1999, there was no government at all to provide such assistance.

Much of the building of private enterprise was expected to be left to the Timorese themselves, with international organizations providing only indirect assistance. Such assistance, suggested a World Bank-led assessment team, should include currency exchange education, micro-credit, increased access to port facilities, and support for re-

---

<sup>16</sup> *Building a Nation : Agriculture Background Paper*, Joint Assessment Mission headed by World Bank, November 1999, p.3.

<sup>17</sup> *Building a Nation : Macroeconomics Background Paper*, Joint Assessment Mission headed by World Bank, November 1999, p.1.

<sup>18</sup> “Building Blocks for a Nation : The Common Country Assessment for East Timor”, Dili: UNDP and UN Country Team, November 2000, p.45.

<sup>19</sup> *Building a Nation : Macroeconomics Background Paper*, p.1.

establishment of banking services.<sup>20</sup> However, a number of private enterprises were directly assisted by international organizations. One program that will be looked at in detail in this study is the World Bank's program to build Pilot Agricultural Service Centres. Other programs which are examined include USAID's program to strengthen Café Cooperativa Timor and the Asian Development Bank's program to build microfinance institutions.

## **2.3 Civil Society Institutions**

The two kinds of civil society institutions examined in this study will be non-government organizations, both at national and district level, and community-based organisations. The Catholic Church will not be discussed in any detail because, though an extremely important institution both before and after UNTAET's arrival, it was not the target of significant capacity building efforts by international organizations.

### **Local NGOs**

Several local NGOs had been formed and been given capacity building even before the violence of 1999. Prior to 1998, local human rights organizations like Yayasan Hak and Fokupers had been given managerial advice and material support by Oxfam Australia and technically oriented local NGOs like Bia Hula and ETADEP had received similar support from donors and NGOs like USAID, AusAID and Catholic Relief Services. In 1998, an 'NGO Forum' had been created to coordinate the growing number of NGOs and give them a united voice.<sup>21</sup> Pre-established groups that had received less support prior to 1999 were student groups like Renetil and the East Timor Students Solidarity Council (ETSSC), grassroots women's groups like OMT and OPMT, and various youth clubs.<sup>22</sup> Most local NGOs had only been established since 1997 as Indonesia started to democratize and allow a stronger voice for civil society. They therefore had little experience at the time UNTAET and many other international organizations suddenly arrived in East Timor.

---

<sup>20</sup> *Building a Nation : Macroeconomics Background Paper*, pp.2-3.

<sup>21</sup> Nest, M., "Overview and Assessment of Development Assistance to East Timor," New York University : Centre on International Cooperation, 1999, accessed in November 2002 at [http://www.nyu.edu/pages/cic/publications/work\\_paprs/publ\\_work\\_paprs8.html](http://www.nyu.edu/pages/cic/publications/work_paprs/publ_work_paprs8.html)

<sup>22</sup> Many of these are mentioned in UNDP, 'Situation Analysis of Civil Society Organisations in East Timor', Dili, 2002, pp.18-19.

Whilst the above cases show East Timor had a small base of NGO experience, even these were left in a disorganized state after the violence of September 1999. Many of the more established NGOs had had their staff displaced, traumatised or killed and their premises ransacked in 1999. In September 1999, one report noted, 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.<sup>23</sup> As these pre-1999 organisations struggled to re-establish themselves, they were joined in the post September 1999 period by myriad new organizations whose motivations varied from idealism to a more self-oriented search for employment and business opportunities.<sup>24</sup>

This study will occasionally draw on comments about or from a specific local NGO, but the focus will firmly be on finding overall patterns in efforts to build Timorese NGOs.

## Community Leadership Structures

East Timor still had, following the violence of September 1999, much community leadership. Traditional village power structures had survived centuries of Portuguese political control of coastal bases and many decades of Portuguese and Indonesian control of the hinterland. These structures included respect given by villagers to certain families as political leaders and to certain other families as ritual leaders.<sup>25</sup> Those villages whose traditional political leaders remained in Indonesia, such as the villages of Cassa and Atsabe in central East Timor, had non-traditional leaders from the pro-independence campaign to fill the void. Very few of the ritual leadership families had sided with Indonesia so most remained in their villages or returned there shortly after September 1999. Finally, East Timor also had a Catholic Church in every large village which provided some education and health services, spiritual leadership, moral and political guidance through its

---

<sup>23</sup> "Building Blocks for a Nation : The Common Country Assessment for East Timor", Dili: UNDP and UN Country Team, November 2000, p.109.

See also, Hunt, J., 'Building a new society: NGOs in East Timor', *New Community Quarterly*, Vol 2 no 1 Autumn 2004; accessed May 2008 at <http://www.etan.org/et2004/october/22/29buildng.htm>

<sup>24</sup> One researcher, after interviewing many NGO staff, classified them into three groups: Individuals form NGOs to work for the benefit of the people; A group of people form an NGO to gain employment and to do good for the country; and people mainly interested in doing business and thus form an NGO as a basis for this. See Brunnstrom, C., *Loron Aban Hahu Ohin - The Future is Today*, Dili :Oxfam, November 2000, p.11.

<sup>25</sup> Hohe, T., 'The Clash of Paradigms: International Administration and Local Political Legitimacy in East Timor', *Contemporary Southeast Asia*, vol.24, No.3, Dec.2002, pp.572-573, 586.

See also *Capacity Building for Governance and Public Sector Management, Program Overview*, Dili: National Planning and Development Agency, with support from UNDP, August 2001, p.37.

outspokenness, and a communication and distribution network staffed by thousands of trustworthy lay people. As one foreigner concluded in late 1999, “It is the strength of East Timorese communities and the capacity of the people to use community structures for mutual benefit that have enabled them to overcome not only the crisis of recent weeks, but also years of oppression, intimidation and violence.”<sup>26</sup> These pre-1999 structures needed little institution building support but needed to be respected by institution builders.

A less historical source of community leadership still intact after the violence of September 1999 was the independence movement, which had furnished Timorese with organisational skills and local level structures. The most active independence-related structure in September 1999 was the CNRT (‘Conselhu Nacional da Resistencia Timorenses’, known in English as the National Council of Timorese Resistance), the umbrella political organization formed in 1998 to coordinate the activities of all pro-independence groups and give them a united voice.<sup>27</sup> Many village-level CNRT leaders had been killed by pro-Indonesian militias during the violence but the movement lost very few of its national-level leaders. Its head in November 1999, Xanana Gusmão, boasted, “We are strong enough to expel anybody from East Timor.”<sup>28</sup> It had sufficient clout in 1999 to stop the sale of some 4000 tons of Timorese coffee to a New York based co-operative, NCBA, following a dispute over prices.<sup>29</sup> It retained leaders in every village and, something rare following the destruction of radio and telephone networks, it retained informal communication lines reaching down from the national level.

CNRT itself was to dissolve in 2000 but one legacy was the World Bank’s CEP community councils, whose creation the CNRT had initially supported even when it was initially opposed by UNTAET. Indeed CNRT members were often elected to the CEP community councils<sup>30</sup> Since the World Bank’s ‘Community Empowerment Project’ (CEP) was the international community’s biggest project to build community leadership structures, frequent reference will be made to this project, particularly in Chapters 3 - 4.

---

<sup>26</sup> Ife, J., “Report of Assessment Mission to East Timor,” International Federation of Social Workers, Nov. 1999, p.12

<sup>27</sup> CNRT grew out of CNRM, the pro-independence umbrella organization originally formed in 1987. CNRT was a broader-based organisation, officially encompassing previously ostracised parties like UDT. See Niner, S., “A Long Journey of Resistance : The Origins and Struggle of CNRT”, *Bitter Flowers, Sweet Flowers : East Timor, Indonesia and the World Community*, Tanter, Selden and Shalom (eds), Oxford : Rowman and Littlefield, 2000, p.23

<sup>28</sup> Cristalis, I., *Bitter Dawn*, London : Zed Books, 2002, pp.256-257, 266

<sup>29</sup> Aditjondro, G., *Timor LoroSae on the Crossroads*, Jakarta : Centre for Democracy and Social Justice Studies, 2001, p.50

<sup>30</sup> ‘Evaluating the World Bank’s Community Empowerment Project’, *La'o Hamutuk Bulletin*, Vol. 1, No. 4: 31 December 2000.



## **2.4 Summary**

---

When UNTAET and other international organizations began setting up in East Timor in late September and October 1999, they found a country of tens of thousands of smoking buildings and hundreds of thousands of displaced people. There was no functioning government and little stock or infrastructure to support private enterprise. Civil society groups seemed dispersed and under-resourced. There was, noted one UN-agency report, a temptation to analyse needs as if starting from zero.<sup>31</sup> But East Timorese even at that desperate time had a memory of government, private enterprise and civil society institutions. They had structures and skills that capacity builders could draw upon.

After September 1999, the above memories, structures and skills were mixed with international organizations' own ideas of what institutions should look like and their own institutional priorities. A variety of institution building successes and problems arose out of this cocktail of Timorese and international ideas. The rest of this study will focus on the problems that arose and will explore whether conflicting priorities of international organizations were a root cause of these problems.

---

<sup>31</sup> "Building Blocks for a Nation : The Common Country Assessment for East Timor", Dili : UNDP and UN Country Team, November 2000, p.8.

## Ineffective practices in programs building government institutions

On 28 September 1999, in a tripartite meeting between representatives of the Portuguese Government, the Indonesian Government and the United Nations, the UN gained de facto control of East Timor.<sup>32</sup> The UN envisaged that this would include responsibility for providing all aspects of public administration and for building capacity for self government.<sup>33</sup>

It has been widely reported that the UN experienced problems in its building of government institutions. One 2001 review of government institution building noted,

“The seeming slow progress and poor results in institutionalising, building capacities and ‘Timorizing’ the basic systems of ... [the Government-in-waiting] in East Timor. Some suggest that the reason for this is the absence of a coherent policy framework for capacity development or governance, while others point to insufficient planning and management capacities within the UNTAET/ETTA transitional administration. Yet others see the shortage of East Timorese to take up civil service posts as the main reason, or the fact that international staff are not transferring skills and know-how effectively enough to their East Timorese counterparts”.<sup>34</sup>

Later that year, UNTAET head Sergio Vieira de Mello told the UN Security Council that, “Capacity building has proved both frustrating and difficult”.<sup>35</sup> And just months before independence, UNTAET and the World Bank cautioned, “Overall the outlook for a successful transition is positive [though]... many problems have been

---

<sup>32</sup> Martin, I., *Self Determination in East Timor*, London : Lynne Rienner, 2001, p.115.

<sup>33</sup> Report of the secretary General on the Situation of East Timor to the Security Council (S/1999/1024), 4 Oct. 1999, p.6.

<sup>34</sup> *Capacity Development for Governance and Public Sector Management: Strategic Management Framework*, Dili: National Planning and Development Agency with support from UNDP, March 2001 (draft), p.i. The ETTA, or East Timor Transitional Authority, was set up in June 2000 alongside the UNTAET administration. ETTA was expected to gradually to take over UNTAET functions and eventually become the administration of the independent East Timor.

<sup>35</sup> De Mello, quoted in, ‘East Timor Faces Post-UNTAET Challenges’, *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

encountered along the way and much remains to be done”.<sup>36</sup> Government institution building was not a complete failure but problems had been encountered.

At first glance, there is little to indicate these institution building problems were rooted in the conflicting priorities of international institutions. When UNTAET (the UN Transitional Administration in East Timor) took over from the UN electoral mission on 25 October 1999, its mandate clearly included institution building. Indeed, the mandate stressed that the UN would, “Support capacity-building for self-government” and “Assist in the development of civil and social services.”<sup>37</sup> East Timorese, working within the UN administration in East Timor alongside international experts, were expected to receive, “Sufficient training and capacity building to enable these persons gradually to replace international staff.”<sup>38</sup> Could the problems have been due mainly to poor planning, individual error or something else rather than conflicting priorities ?

This section will first examine evidence that a number of UN practices were problematic: that they actually reduced the effectiveness of building government institutions in East Timor. The headings at the start of each section are an attempt to classify each negative practice. I will then examine whether a root cause of each of these negative practices was that the UN had other priorities that conflicted with its institution building aims.

---

<sup>36</sup> United Nations Transitional Administration in East Timor, East Timor Transitional Government and the World Bank, *Background Paper for Donors Meeting on East Timor*, Oslo, 11-12 December 2001, executive summary.

<sup>37</sup> Mandate provided through UN Security Council resolution 1272 (1999) of 25 October 1999. <http://www.un.org/peace/etimor/UntaetM.htm>, accessed 2 Jan 2005.

<sup>38</sup> Report of the secretary General on the Situation of East Timor to the Security Council (S/1999/1024), 4 Oct. 1999, p6.

## **Ineffective practice number 1 :**

### **The UN's focus on its institution building task began late and was scaled down too early.**

The UN was criticized widely for being slow to focus on planning and implementation of institution building. Perhaps the first reconstruction mistake by the UN was that overall planning started too late. Beginning in mid-September 1999, planners had less than three weeks to produce the 4 October UN Secretary-General's report which would set out the organisation and mandate of the UNTAET mission. Not surprisingly, the first internationals to staff UNTAET in East Timor felt the mission was undermanned and lacking support from the UN Secretariat in New York.<sup>39</sup> When the UN in East Timor assumed de facto control on 28 September 1999, its head was Ian Martin. Summing up the earliest problems, he conceded that the slowness in getting UNTAET's personnel, guidelines and logistics in place was not, "One of the most positive aspects of the East Timor story."<sup>40</sup>

This rushed planning certainly undermined the institution building component of the UNTAET mission. Planning for institution building focused on structures, providing few clear milestones to guide progress towards independence. Planners included institution building in the UNTAET mandate but the mandate provided few guidelines on institution building, not even clarifying how local people should be consulted.<sup>41</sup> The head of the UNTAET mission, Sergio de Mello, lamented, "There was no instruction manual attached to the mandate".<sup>42</sup> Nor was there flexibility in allocation of funds. There was a budget to run the UN mission but not to actually develop a parallel Timorese administration that would become the Timorese government. To make matters worse, recruitment started slowly, initially with just one recruitment officer, based in far away New York, responsible for recruiting hundreds of key posts.

<sup>43</sup>

---

<sup>39</sup> Robinson, G., "With UNAMET in East Timor : A Historian's Personal View", *Bitter Flowers, Sweet Flowers : East Timor, Indonesia and the World Community*, R.Tanter, M.Selden and S.R. Shalom (eds), Oxford : Rowman and Littlefield, 2000, p.70

<sup>40</sup> Martin, I., *Self Determination in East Timor*, London : Lynne Rienner, 2001, pp.115, 128

<sup>41</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King's College London, 10 March 2003, points 18 and 291, and exec summary point 11.

<sup>42</sup> De Mello quoted in Cristalis, I., *Bitter Dawn*, London : Zed Books, 2002, p.266

<sup>43</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 165.

The reconstruction mandate was officially approved on 25 October 1999 but even after UNTAET was firmly established in East Timor, its planners in New York and East Timor spent insufficient time planning capacity building. In March 2000, one senior UNTAET official was still lamenting, “Without a meaningful timetable and methodological stages for transfer of power, this mission will drift, hold an election as an exit strategy next year and leave the Timorese with no genuine capacity built.”<sup>44</sup> Others accused UNTAET’s planners of failing to provide guidance from a central body to help and oversee government offices in their efforts to build capacity. Major-General Smith recalled that, “With most effort focused on daily survival” and without “a coherent plan to chart the mission’s progress... elements of the mission tended to operate in isolation, with a lack of shared vision and understanding as to how the objectives specified in the mandate could best be achieved.”<sup>45</sup>

In December 2000, a brief set of quarterly institution building targets was finalized for seven key ministries. However, these focused on easily measurable achievements like pharmaceuticals regulations drafted and five hundred police officers recruited and attending training, while setting no targets for other aspects of institution building like human skills or attitudes.<sup>46</sup> Moreover, a year later, only five months before independence, a report to donors noted numerous aspects of capacity building which had been paid insufficient attention. Development of integrated training plans across institutions was deemed ‘patchy’ and there was no systematic approach to the assessment and coordination of external courses for relevance and appropriateness and no Timorese capacity for monitoring and evaluation. Moreover, of all the positions planned for Timorese in the government-in-waiting, only 43 % had actually been filled. The government-in-waiting had a Capacity Development Coordination Unit to oversee capacity building but this unit still had no permanent location or budget appropriation.<sup>47</sup> A 2003 review of UNTAET was particularly critical of police institution building, noting that UNTAET was, “Slow to elaborate a comprehensive development plan for the ETPS”, and that one result of its lack of a comprehensive

---

<sup>44</sup> reported in Dodd, M., “UN Staff Battle over Independence Policy”, *Sydney Morning Herald*, 13-3-2000, p.10

<sup>45</sup> Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, p.25

<sup>46</sup> United Nations Transitional Administration in East Timor, East Timor Transitional Government and the World Bank, *Background Paper for Donors Meeting on East Timor*, Brussels, 5-6 December, 2000. This study defines institution building quite broadly. See Ch. 1 of this study.

<sup>47</sup> United Nations Transitional Administration in East Timor, East Timor Transitional Government and the World Bank, *Background Paper for Donors Meeting on East Timor*, Oslo, 11-12 December 2001.

plan was a controversial police recruitment policy.<sup>48</sup> If more planning time and resources had been spent on institution building in 1999 and in each subsequent year, perhaps the Government-in-waiting would have been better prepared on the eve of independence and perhaps the Government would not have fallen apart in the political crisis of 2006.

### **Evidence that Ineffective practice number 1 stemmed from the conflicting priorities of international development institutions**

One obvious reason for UNTAET's poor planning for institution building in particular was UNTAET's lack of planning time in general. After all, the UN had expected the Indonesians to withdraw from East Timor slowly if they lost the referendum, allowing ample time for UN planning. Instead, the Indonesian administration and security system in East Timor collapsed immediately after the 4 September announcement of the referendum result, sparking an orgy of murder and destruction across the territory. It was not until 15 September 1999 that the UN could garner sufficient international political consensus to authorise planning for its de facto take over of East Timor, which occurred on 28 September 1999. In other words, it had less than two weeks to plan and organise the new mission.<sup>49</sup>

However, a deeper analysis shows conflicting priorities played a major role in undermining planning for institution building. The UN could have started at least some of the planning for the post-referendum phase long before 15 September, but it chose not to. Much time and energy was taken in deciding which UN department would lead reconstruction in East Timor. To at least lead the civilian component of the UN mission, the UN could have chosen one of its departments that had experience with East Timor, but it did not. The particular UN department that was chosen to lead reconstruction could have drawn on the resources and strategies of organizations that were better prepared, like the World Bank and like other UN departments and agencies, but it chose not to. As the UN overcame more pressing concerns like ending

---

<sup>48</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King's College London, 10 March 2003, exec summary, point vi. Note the ETPS was the East Timor Police Service, which after independence became the Policia Nacional Timor Leste.

<sup>49</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King's College London, 10 March 2003, points 10-17. See also the footnote for point 18.

the violence and preventing a humanitarian crisis in East Timor, the UN could have significantly upgraded the resources and planning time available for institution building. But it did not.

I will now examine the above conflicting priorities in more detail. Prominent UN member states were averse to pre-referendum contingency planning for military intervention, since this would second-guess the referendum result and might upset the Indonesian Government.<sup>50</sup> Yet planning civilian assistance for institution building would surely have been less offensive to Indonesia. One of those intricately involved in planning for the UN's new administrative and capacity building role, Major-General Mike Smith, later argued that contingency planning at UN headquarters in New York should have started immediately after 5 May 1999. On that date, a tripartite agreement had been made between Portugal, Indonesia, specifying that the UN would temporarily administer East Timor if the East Timorese in the upcoming referendum rejected continued Indonesian rule.<sup>51</sup>

The World Bank had indeed shown that pre-referendum planning was possible. It had discussed with Timorese leadership the priorities for post-referendum reconstruction and development and had even worked with the UN Department of Political Affairs to plan for a post-referendum needs assessment mission.<sup>52</sup> It would perhaps have been slightly more irritating to Indonesia but still feasible to plan for the possibility of a pre-independence result by, for example, identifying possible leaders and locations for UN offices in East Timor, and possible structures and milestones for transitioning from UN administration to independent rule. The UN could have started at least some of the planning for the post-referendum phase long before 15 September, but it chose to do almost no planning. Clearly, the very minor risk of offense posed by this kind of assistance was considered a risk not worth taking. Planning for institution building was a low priority indeed.

---

<sup>50</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).

<sup>51</sup> Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, pp.24-25, 60. Smith expressed disappointment that, from 5 May to the ballot on 30 August, "virtually no planning occurred regarding the composition and responsibilities of the civil administration and the manner in which UNTAET would work in partnership with the East Timorese."

<sup>52</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, pp.3,5. Found at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf> , accessed 9 Jan 2007.

One UN planner conceded the UN's sluggishness was not solely due to fear of upsetting Indonesia. It was partly due to the UN's confusion over which of its departments would lead the operation – confusion which was not resolved until September 1999 when the UN confirmed that the Department of Peacekeeping Operations (DPKO) would lead, rather than the UN Department of Political Affairs (DPA).<sup>53</sup> One observer viewed this less as 'confusion' and more as, 'an internal tug of war within the UN', undermining the UN's contingency planning before September 1999,<sup>54</sup> while another noted that due to inter-departmental rivalry and personality clashes, the DPKO did not even respond to a proposal from DPA's Under-Secretary-General for a joint planning mission.<sup>55</sup> The time and energy spent maneuvering for power at a time when reconstruction planning was urgently needed suggests power plays were a higher priority for key UN personnel than reconstruction planning.

The UN's choice of the DPKO ahead of the DPA to lead all aspects of the mission suggests peacekeeping was also a higher priority than reconstruction planning. If reconstruction planning had been a high priority, surely the DPA would have been the most suitable choice to lead the mission, or at least the institution-building component of the mission. Having led the mission to run East Timor's August 31 referendum, the DPA had experience in East Timor and had established personal relationships with CNRT leader Xanana Gusmão and other Timorese leaders.<sup>56</sup> The lack of DPA involvement meant, as one analyst summarized, "The entire civilian operation was staffed and organized by, and ultimately responsible to, a department that had little experience with 'governance missions', no country-knowledge of East Timor, and whose standard operating procedures were designed for military and preferably short-term operations."<sup>57</sup>

Even after much time and focus was wasted deciding the UN's lead department for East Timor's reconstruction, conflicting priorities continued. The DPKO had lost 27 % of its professional staff over the previous three years, yet around the time of East

---

<sup>53</sup> Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, pp.24-25, 60.

<sup>54</sup> J.J.Fox, "Assessing UNTAET's Role in Building Local Capacities for the Future", in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, p.52.

<sup>55</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).

<sup>56</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King's College London, 10 March 2003, points 10-17. See also the footnote for point 25.

<sup>57</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).



Timor's reconstruction it was also asked to launch missions in Kosovo, Sierra Leone, Ethiopia/ Eritrea and Lebanon. It was clearly under-prepared for intervention in East Timor, and envisaged UNTAET not being able to function until December 1999, yet it was reluctant to draw on the resources and strategies of organizations that were better prepared. For example, the DPA had experience in East Timor and had drawn up a planning paper including a longer term perspective but its voice was largely ignored. In fact, the DPKO explicitly banned DPA personnel from joining any official UNTAET planning teams, so they could only be consulted informally.<sup>58</sup> In 2000, a prominent review of UN peace keeping noted that it was not only possible but also desirable to form UN planning task forces from a variety of different UN agencies and departments.<sup>59</sup> This did not happen in East Timor. Thus, on the eve of East Timor's independence in 2002, the New York Times reflected that, "The process (of UN-led reconstruction) would have benefited from less rivalry between departments."<sup>60</sup>

The power play was not just between UN departments. The World Bank had, by September 1999, done much preparation for the post-referendum period, including canvassing East Timorese leaders and sending East Timorese professionals to Washington for training.<sup>61</sup> However the UN's DPKO was reluctant to consult the World Bank in its mission planning. Consequently, it did not take up the World Bank's strategy of involving Timorese extensively in initial reconstruction planning and it chose neither to participate in nor follow the recommendations of the World Bank-led Joint Assessment Mission of October-November 1999.<sup>62</sup> The UN's development agency, UNDP, had extensive experience in Indonesia and had, by September 1999, drawn up a plan for reconstruction. It recommended that the UN Administration maximize the use of East Timorese human resources right from the start and avoid use of any unsustainable 'state of the art' systems or facilities but again the DPKO ignored its advice.<sup>63</sup> A 2003 review of UNTAET's performance criticized the DPKO's selfishness by noting, "It is perhaps surprising that DPKO interpreted its role as the

<sup>58</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King's College London, 10 March 2003, points 10-17. See also the footnote for points 18, 21-23.

<sup>59</sup> Executive Summary, *Report of the Panel on UN Peace operations (Brahimi Report)*, 2000; accessed July 2005 at [http://www.un.org/peace/reports/peace\\_operations/](http://www.un.org/peace/reports/peace_operations/)

<sup>60</sup> 'Lessons for Nationbuilders', *New York Times* editorial, 7 Feb 2002.

<sup>61</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).

<sup>62</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, pp.3-6. Accessed 9 January 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>63</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).

lead department in the planning process rather narrowly in the sense that it was reluctant to draw all available resources into the planning process.”<sup>64</sup>

Strict adherence to New York –designed systems for decision-making and recruitment may also have been prioritized to the detriment of East Timor’s development. UN workers in the field complained of ongoing organizational problems and sought more decision-making power in order to address these. As organisational problems continued through 2000, even the Australian Government expressed concern, noting that, “UNTAET’s future would depend on the United Nations ability to deliver the resources necessary for it to fulfill its mandates”, and to that end urging, “The development of streamlined recruitment and procurement procedures.”<sup>65</sup> However, in this debating point, UN headquarters’ politics and ‘established bureaucratic procedures’, including those for recruitment of personnel, generally held sway.<sup>66</sup> When East Timor-based UN staff were given greater recruitment powers in mid 2000, this aided institution building.<sup>67</sup> Perhaps if institution building in East Timor had been a higher priority for UN planners in New York, local recruitment powers could have been granted earlier, along with loosening up of other UN systems, to help the mission adjust to the local context.

The abovementioned lack of planning time and resources for institution building also occurred because, right from the start in East Timor, institution building had been a low priority for the UN in general. While the UN’s Kosovo mission had included separate pillars for governance and public administration (GPA) and for institution-building, the UN’s East Timor mission had these combined into one pillar. Also auguring badly was the UN Security Council’s classification of institution building as part of development, not peace-keeping, meaning that assessed funds for peacekeeping in East Timor could not be used for institution building.<sup>68</sup> Thus, at the start of its mission, UNTAET had a budget to administer East Timor but not to set up a Timorese

---

<sup>64</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King’s College London, 10 March 2003, point 20.

<sup>65</sup> David Stuart in UNTAET press release, “Security Council Briefed By Sergio Vieira de Mello, Special Representative For East Timor”, SC/6882, accessed in December 2007 at <http://www.un.org/News/Press/docs/2000/20000627.sc6882.doc.html>

<sup>66</sup> Fox, J.J., “Assessing UNTAET’s Role in Building Local Capacities for the Future”, in H. Soesastro and L.H. Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, p.53.

<sup>67</sup> *A Review of Peace Operations: A Case for Change, East Timor*, points 165, 176.

<sup>68</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).

‘government in waiting’.<sup>69</sup> Nor was it given a budget for full-time capacity builders. In the case of building a police force, this lack of capacity builders contributed to a lack of a comprehensive strategy for institution building, including a lack of attention to recruitment policy.<sup>70</sup> Institution building clearly wasn’t a high priority of mission planners in New York in 1999. As one review summarised, UNTAET was founded as, “A multidimensional mission in which governance was of lower priority than other aspects”.<sup>71</sup>

After UNTAET was firmly established in East Timor, UN planners in New York continued to prioritise other tasks like government administration ahead of institution building. There remained a lack of money for recruiting people to do full-time capacity building. New York planners gave UNTAET a budget of 386 million for the first seven months (until 30 June 1999) and 592 million for 2000-2001,<sup>72</sup> yet none of this was for employing full-time capacity builders. The Cabinet Secretary of the Government-in-waiting in 2001 later recalled, “It’s hard to do both the high pressure work of a post-conflict operation and do capacity building. Each required full time focus. The mission as a whole hadn’t realised that and built it into the structure (either using a pool of capacity builders or putting them into each office).”<sup>73</sup> UNDP, which took an increasingly prominent role in supplying institution builders to UNTAET, was moved in January 2001 to point out the inadequacy of UN resources for the, “Critical area of capacity building.” Its head in Dili urged the UN Security Council to modify current funding arrangements or establish new ones to ensure that capacity building efforts were, “Not neglected but put, as they need to be, at the heart of preparations for independence.”<sup>74</sup>

Planning and implementation of institution building was undermined not just by the amount of money available for this component of UN work, but also by the short time

---

<sup>69</sup> The 4 Oct. 1999 *Report of the secretary General on the Situation of East Timor to the Security Council* (S/1999/1024), noted in point 84 that voluntary contributions would be needed to pay for, “Public services and utilities and the salaries of the local civil servants.”

<sup>70</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King’s College London, 10 March 2003, exec summary, point vi. This lack of attention to recruitment policy was blamed by some for the collapse of the police force in 2006.

<sup>71</sup> *A Review of Peace Operations, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, executive summary, point xi.

<sup>72</sup> Suhrke, A., *Ibid.*

<sup>73</sup> David Haeri, Cabinet Secretary, in private email to study author, 1 December 2002.

<sup>74</sup> Statement by UNDP Administrator Mark Malloch Brown at UN Security Council Meeting on East Timor, 26 January 2001. Found at, <http://www.undp.org/dpa/statements/administ/2001/january/26jan01.html> , accessed 29 Dec 06.

frame for spending the money. Initially, the problem was getting funds flowing. The head of UNTAET complained in August 2000 that Aus \$ 912 million promised by the international community for East Timor's reconstruction had been slow in coming.<sup>75</sup> The promised funds did eventually materialize but then a new timeline problem emerged: donors wanted the money spent and reported on quickly. One international NGO leader argued that this short timetable was unrealistic, "Considering that East Timor was obviously incapable of governing itself [and] had virtually no economy." He continued, "If the state building process had had the required long term commitment from the international community, long term plans ...would have been possible."<sup>76</sup> Some, while noting the UN's early scaling down was partly due to pressure from local political elites, added that, "The UN Security Council wanted to wrap up a mission costing hundreds of millions of dollars per year."<sup>77</sup> Suhrke argued that the UNTAET mission, "Had built-in demands for rapid completion," since the UN financed it through assessed contributions from member states.<sup>78</sup> The Head of a later UN mission in East Timor even admitted that since 1999 the UN had provided only, "The minimum required to keep the government functioning," and that this was mainly due to budget constraints.<sup>79</sup> Most UN funds had to be spent by independence day in May 2002. These timelines were not conducive to long term planning and implementation of institution building.

Despite the budgetary limits imposed by New York planners and donors, UN planners based in East Timor still had some decision-making power. Some officials used this power to allocate time and resources to institution building while others seemed to have consciously made institution building a low priority. The mandate for UNTAET's mission in East Timor set out six tasks, without specifying order of priority. However by December 1999 UNTAET's head had decided institution building (of the civil service) was only one out of seven different tasks. Moreover, he had prioritised these tasks. Institution building came fifth on this list, behind the establishment of law and order, two political aims, and the provision of humanitarian and agricultural support to

---

<sup>75</sup> Vieira de Mello in Taylor, C., 'Paradise Postponed' *Brisbane Sunday Mail*, 27 Aug 2000, p.87.

<sup>76</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a fragile state*, Charles Darwin University Press, 2005, pp.91, 93.

<sup>77</sup> McMahon, R. 'Timorous Nation-building', posted on ETAN website, 5 June 2006. Accessed Sept 2006 at [www.etan.org](http://www.etan.org)

<sup>78</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).

<sup>79</sup> Sukehiro Hasegawa in Donnan, S., 'Dili dilemma: how blunders in building a nation are being brutally laid bare. The UN's withdrawal of an interim administration four years ago now seems premature as Timorese are convulsed by anarchy,' *Financial Times*. London (UK): Jun 12, 2006. p 17.

ensure food availability !<sup>80</sup> The World Bank noted another priority, physical reconstruction of government facilities, that took time away from the building of systems and procedures. It explained, “Some sectors did well in institution-building but were less successful at rapid physical reconstruction—the energies of national counterparts and their international partners are limited, and time spent on one area distracts time from other activities.”<sup>81</sup> A major UNTAET report in November 2000 certainly suggested more could be done. It recommended greater long term planning for capacity building<sup>82</sup> Significant steps were taken in December 2000, when a donors’ coordination meeting laid out benchmarks for institution building<sup>83</sup> and one of UNTAET’s offices, the National Planning and Development Authority, was tasked with formulating a broad capacity building plan. By late 2001, work had started on planning and establishing a unit, the “Capacity Development Management and Coordination Unit”, to oversee implementation of the capacity building plan.<sup>84</sup> One review of UNTAET noted, however, that steps like these should have been taken sooner to develop public administration capacity and they were still insufficient because even by the end of UNTAET’s lifetime, government departments had no agreed approach to capacity-building.<sup>85</sup> Dili-based UNTAET officials did have a choice and they continually chose to delay planning for capacity building.

Some clues are available as to what Dili-based UNTAET officials prioritized ahead of planning capacity building. In 2001, the UNTAET office eventually tasked with coordinating capacity building felt department heads had sufficient resources if they were serious about capacity building but that department heads were using their skilled personnel for day-to-day running of the administration. It recommended, “The allocation of some time of senior personnel in each department to the management and

---

<sup>80</sup> Subianto, L.H., ‘A State in the Making: International Actors in East Timor,’ in H.Soesastro and L.H. Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002,. pp.151-152.

<sup>81</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, p.13; accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>82</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, p.97-98

<sup>83</sup> United Nations Transitional Administration in East Timor and the World Bank, *Background Paper for Donors Meeting on East Timor*, Brussels, 5-6 December 2000.

<sup>84</sup> Senior official in Transitional Administration’s National Planning and Development Agency, in private email to the study author, 18 July ‘03. The NPDA’s plan was published in August 2001 with the title, *Capacity Development for Governance and Public Sector Management*. It noted (p.46) that the Capacity Development Management and Coordination Unit was at that stage being set up.

<sup>85</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King’s College London, 10 March 2003, points 367, 373.

coordination of sector capacity development.”<sup>86</sup> Some offices had already shown this could be done. The Cabinet Secretariat of the Timorese government-in-waiting recalled, “When I was charged with setting up and heading the Cabinet Office, ...the posts that were used for capacity building were taken from posts that were originally designed to be doing Cabinet work directly.”<sup>87</sup> One review noted UNTAET was slow to try to settle the future of the Falintil guerrillas and attributed this at least partly to peace-keepers’ selfish desires to keep a role for themselves.<sup>88</sup> Since it was possible to redirect resources to institution building, cases where this was not done suggest that day-to-day administration and maybe peace-keepers’ selfish desires were prioritized ahead of institution building.

Many Timorese identified a simpler clash of priorities: prioritization of spending on internationals ahead of spending on capacity building. In 2000, East Timorese observed pallets of computers and filing cabinets being unloaded, UN vehicles cruising through Dili and foreign workers eating at upmarket restaurants but saw little benefit for themselves.<sup>89</sup> As late as 2002, Timorese still complained the millions of dollars allocated to East Timor were mostly used by UNTAET to pay for its police and soldiers, UN vehicles, office facilities, the wages of international staff and for communications facilities. Little was used for development.<sup>90</sup> Some Timorese claimed as much as half of the funding for the UN was “boomerang aid”, used to pay development consultants’ salaries and overhead costs. This, they explained, meant, “Too little of it was spent on shoring up the country’s fragile institutions.”<sup>91</sup> A European Commission evaluation of the TFET, a World Bank-administered fund that was used for infrastructure and government institution building, seemed to support the above viewpoint. It concluded that over a third of allocated funds were eaten up by foreign consultants’ fees, overheads and tied procurements.<sup>92</sup> Chapter 1 of this study mentions donors’ self interest, which includes recycling money back to the donor country and promoting home-country products. If institution building had been donors’

---

<sup>86</sup> *Capacity Building for Governance and Public Sector Management, Program Overview*, East Timor : National Planning and Development Agency, with support from UNDP, August 2001, p.56.

<sup>87</sup> David Haeri, Cabinet Secretary, in private email to study author, 1 December 2002.

<sup>88</sup> *A Review of Peace Operations: A Case for Change, East Timor*, points 367, 373.

<sup>89</sup> Taylor, C., ‘Paradise Postponed’ *Brisbane Sunday Mail*, 27 Aug 2000, pp.87-88.

<sup>90</sup> “Kucuran Dana dan Agenda Yang Terselubung”, *Talitakum*, 24 February 2002, p.9.

<sup>91</sup> Donnan, S., ‘Dili dilemma: how blunders in building a nation are being brutally laid bare The UN’s withdrawal of an interim administration four years ago now seems premature as Timorese are convulsed by anarchy,’ *Financial Times*. London (UK): Jun 12, 2006. p.17.

<sup>92</sup> Everett, N., ‘East Timor: Roots of the political crisis’, *Green Left Weekly*, June 28, 2006.

highest priority in East Timor, perhaps this money could have been spent less wastefully.

Finally, given the breakdown in law and order in 2006, a brief examination is needed of the amount of training East Timor's new military defence force received. The force drew most of its personnel from a pre-existing local institution, Falintil, the armed wing of the independence movement. In September 1999 Falintil had about 1000 soldiers<sup>93</sup> and its leaders were widely respected organizers. Training of this force for peace-time operations, or at least a degree of financial support to hold this force together, could have been provided in 1999 but instead this institution was all but ignored by international organisations in the first two years after independence. When emergency food and equipment was being distributed in late 1999 and early 2000, Falintil members were ineligible to receive it unless they left their encampment in Aileu township and returned to their home villages. This policy had the effect of splitting Falintil up and weakening its bond with local villagers as individual soldiers returned to their home villages and as the main army put pressure on the resources of local villagers to support it.<sup>94</sup> In February 2001, Falintil became the F-FDTL and finally gained recognition by UNTAET as the official defence force of East Timor, but ten months later, it was still receiving minimal help from international organisations. One of its senior commanders complained that, "Our stomachs twist to withstand the hunger and hardship, including our children and wives. Even for a single cigarette we have to beg."<sup>95</sup> One scholar explained this lack of support as a form of UN, "Deference to Indonesian sensibilities", since Indonesia may have been offended by UN support for ex-independence fighters.<sup>96</sup> Australia began sending trainers to East Timor in late 2000 but these, "Never imparted more than rudimentary skills." This was caused by, "Deliberately ambiguous, conflicting orders from their military masters, ... underscored by a characteristic obsequiousness to Jakarta."<sup>97</sup> Training the F-FDTL, or

---

<sup>93</sup> *Bitter Flowers, Sweet Flowers : East Timor, Indonesia and the World Community*, R.Tanter, M.Selden and S.R. Shalom (eds), Oxford : Rowman and Littlefield, 2000, p.251.

<sup>94</sup> Author's own observations as a deliverer of humanitarian aid in 1999-2000; similarly, an Australian Major-General noted Falintil were "initially living in extremely poor conditions until humanitarian assistance and funding could be authorised by UNTAET." See Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, p.49.

<sup>95</sup> Commander Lere Anan in 'Untuk Apa Ganti Nama', editorial, *Cidadaun*, No.15, Nov 2001, p.2.

<sup>96</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).

<sup>97</sup> Daley, P., 'Betrayal by fire', *The Bulletin*, 6 June 2006. Accessed in December 2006 at <http://bulletin.ninemsn.com.au/bulletin/site/articleIDs/D5B6AEEEB251FC27CA25717A002BA708>

even just providing supplies to hold it together, seemed to be undermined by a diplomatic priority – the need to minimise tensions with neighbouring Indonesia.

In conclusion, planning for institution building started badly and never really recovered, and this was partly due to the low priority attached to institution building by key UN personnel. The UN secretariat, in its choice of its Department of Peace Keeping Operations to lead the civilian mission as well as the military mission, prioritized peacekeeping ahead of development and the DPKO prioritized power plays ahead of gaining good cross-organisational teamwork and expertise for East Timor's reconstruction. When the DPKO finally produced a plan, this allocated minimal resources and only a short time-frame to institution building. Officials in Dili had some decision-making power but this was limited by other needs that conflicted with institution building, like administering the day-to-day running of the country, recycling money back to donors, protecting their own jobs and appeasing Indonesia.



## **Ineffective practice number 2 :**

### **The UN recruited many institution builders who lacked understanding of local culture and language, lacked teaching or technical skills, or lacked commitment.**

The effectiveness of institution building in government departments was undermined by the fact that many of those given responsibility for building capacity were unsuitable for the task.

When the UN assumed responsibility for administering East Timor and building a local civil service, its earliest group of staff lacked energy. Virtually all UN staff at the time had just been through the post ballot violence of September 1999. One of these workers recalled they were, “Physically and emotionally exhausted ...and feeling that they were not adequately supported by UN headquarters in New York, this small group quickly grew demoralised and a number resigned.”<sup>98</sup> The UN in October 1999 had a stated aim to build capacity but few of its staff were physically and emotionally ready for this task.

In this early period UN staff also lacked the technical expertise to build institutions. The UN mission in East Timor at the time was, according to its head, “Staffed chiefly as an electoral mission”.<sup>99</sup> As an electoral mission, it lacked expertise in planning and implementing institutional capacity building. On 25 October 1999, a UN official with suitable reconstruction experience, Sergio Vieira de Mello, was appointed to lead the new mission.<sup>100</sup> However, he did not arrive in East Timor until 16 November 1999 and even after this, the UN’s appointment process remained problematic. Many of de Mello’s key staff did not arrive in East Timor until the early months of 2000 and many of those who did arrive turned out to be “under-qualified or unsuitable” because East Timor was not a popular location that could attract many capable UN staff.<sup>101</sup> De

---

<sup>98</sup> Robinson, G., “With UNAMET in East Timor : A Historian’s Personal View”, in R.Tanter, M.Selden and S.R. Shalom (eds), *Bitter Flowers, Sweet Flowers : East Timor, Indonesia and the World Community*, Oxford: Rowman and Littlefield, 2000, p.70

<sup>99</sup> Martin, I., *Self Determination in East Timor*, London: Lynne Rienner, 2001, p.115.

<sup>100</sup> De Mello, was a highly regarded diplomat and administrator who spoke fluent Portuguese and had overseen the UN’s reconstruction program in Kosovo. See Babo-Soares, D., “Challenge of the Political Transition in East Timor”, in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002,. p.22.

<sup>101</sup> Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, pp. 60, 63-64.

Mello himself later conceded he had arrived in East Timor with, “A bunch of generalists.”<sup>102</sup>

Some institutions had ongoing problems with internationals with poor technical skills. One UN review found that the UN was experienced in emergency situations but weak in, “The slower, more calibrated task of establishing a new government.” Its inability to simultaneously administer East Timor while building local capacity, “Often resulted in a lack of confidence among senior and working-level East Timorese officials that their UNTAET counterparts, especially at the working level, had sufficient technical competence to perform their assigned technical tasks optimally.” In particular, noted the same report, “The quality of international police officers provided to UNTAET was not always adequate, and a number of officers who did not meet minimum language, driving or firearms requirements had to be repatriated.”<sup>103</sup> Capacity building for the future legal system got off the ground relatively early, with workshops and mentoring for prospective judges and prosecutors beginning in November 1999. Unfortunately most of the legal staff from UNTAET were appointed from the common law system of English-speaking countries rather than from the civil law system that East Timor had inherited from Portugal and Indonesia. Most of these international mentors had to be replaced with internationals from the civil law system but this took valuable time.<sup>104</sup> Institution building outside the capital city was hampered by the fact that Civil Affairs Officers with UNTAET were generally young and lacking in experience, local knowledge and language skills.<sup>105</sup> When internationals lacked technical expertise, this no doubt undermined the quality of the systems they helped set up and the skills they passed on.

A more pervasive problem than the lack of technical ability was a lack of teaching ability. Even after the appointment of legal advisers with a civil law rather than common law background, there was still criticism that some of these lacked ‘the practical approach’ required for effective teaching.<sup>106</sup> In one UNTAET review, UN

---

<sup>102</sup> De Mello quoted in Cristalis, I., *Bitter Dawn*, London : Zed Books, 2002, p.266.

<sup>103</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King’s College London, 10 March 2003, points 75, 209.

<sup>104</sup> Babo-Soares, D., “Judiciary Development in East Timor”, in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002., pp.73-4, 78

<sup>105</sup> De Coning, C., “The UN Transitional Administration in East Timor : Lessons From the First 100 Days”, *International Peacekeeping*, 6, no.2, 2000, p.85.

<sup>106</sup> Babo-Soares, D., “Judiciary Development in East Timor”, pp.73-4, 78.

police officers similarly came in for criticism for lacking capacity-building skills.<sup>107</sup> As late as August 2001, a review of capacity building admitted there was still a risk “That the senior technical advisors recruited may not be able to mentor ...East Timor public servants,” since “Mentoring is not directing but advising.”<sup>108</sup> One capacity builder with UNTAET recalled that, “Little attention seemed to have been paid to prospective staff members’ abilities to train and to pass on their many skills to their counterparts.” He noted one more extreme case of a foreign adviser in Manatuto, “Who had built a physical wall of filing cabinets between himself, his counterpart and the rest of the world, which he remained behind for the entire day before going home.”<sup>109</sup> The East Timor NGO Forum seemed to recognise the same skill gap when it advised, “International staff working within the transitional administration and also within other organisations funded through the donors should be recruited according to qualities relating to their experience in, and demonstrated abilities to deliver skills transfer, mentoring, support and capacity development.”<sup>110</sup> Too many UNTAET recruits were task doers or poor communicators rather than task teachers.

Language skills were perhaps the skills most obviously missing amongst UN recruits. One observer lamented, “Most international staff do not speak a language of East Timor.” This limited their ability to judge local staff’s capacities and limited local staff’s ability to participate in day-to-day activities like meetings and planning sessions being run by internationals.<sup>111</sup> One UNTAET and NGO worker from 2000-2002 similarly recalled he was amazed, “By how few of those I came into contact within UNTAET shared a common language with those they had come to assist - surely the most basic requirement of passing on knowledge is shared communication.”<sup>112</sup> Some internationals recruited to UNTAET were even lacking in the official language of the UNTAET mission – English.<sup>113</sup> The author recalls listening in on amusing radio conversations in which UNTAET officials often misunderstood each other’s questions

<sup>107</sup> *A Review of Peace Operations: A Case for Change, East Timor*, point 100.

<sup>108</sup> “Capacity development for governance and public sector management: program overview,” with UNDP support, August 2001, footnote on p.12.

<sup>109</sup> Larke, B, in private email to the study author, 29 Sept ’05.

<sup>110</sup> Forum Nacional ONG Timor Lorosa’e (The East Timor National NGO Forum), “Capacity building Briefing paper to donors meeting,” Canberra, June 2001; accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01juncapacity.htm>

<sup>111</sup> Fox, J.J., “Assessing UNTAET’s Role in Building Local Capacities for the Future”, in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, pp.48, 52.

<sup>112</sup> Larke, B, in private email to the study author, 29 Sept ’05.

<sup>113</sup> Babo-Soares, D., “Challenge of the Political Transition in East Timor”, in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, p.27.

and information.<sup>114</sup> Greater capacity to speak local language, or at least to speak English, would have increased international staff's usefulness in institution building.

Language problems were part of a broader problem of cultural differences. A review of UNTAET found that, "UNTAET staff frequently displayed poor aptitude for ...capacity-building, as well as insensitivity to the socio-cultural context in which they found themselves." The review noted the effectiveness of UN police in particular, "Was generally reduced by a lack of local language skills...[and] inadequate understanding of the East Timorese situation and culture."<sup>115</sup> An aid worker similarly observed that many international staff felt isolated from locals due to their inability to understand local language or culture.<sup>116</sup> Cultural misunderstandings existed not just between East Timorese and internationals but among internationals themselves. One observer recommended that UN offices be manned by teams who came from the same country instead of the current practice of bringing together individuals from varied countries.<sup>117</sup> The implication here is that UN staff, including institution builders, sometimes came from cultures that did not readily understand each other.

In addition to skill deficiencies, some international staff's attitude also undermined capacity building. An East Timorese protestant church leader felt, "UNTAET officials showed little seriousness in their work," and were deliberately slowing down the preparations for independence.<sup>118</sup> Others observed, "As if afraid to learn or take any initiative, many UN staff drove round from meeting to meeting with their windows up, appearing not to acknowledge the destitution and suffering around them". After work, instead of interacting with East Timorese, the officials preferred to check their email.<sup>119</sup> One UNTAET planner noted a high turnover rate among senior UNTAET staff, including turnover over experienced district administrators and senior civil servants, and contrasted their attitude with, "The sustained personal commitment of Sergio

---

<sup>114</sup> Examples are: "Do you have the figures for Ainaro with you ?" , answered with "Who ?" Then, "No, the civil registration figures for Ainaro. Do you have them ?" , answered with "Yes, maybe I go Ainaro tomorrow."

<sup>115</sup> *A Review of Peace Operations: A Case for Change, East Timor*, points 77, 176.

<sup>116</sup> Woodcroft Lee, T., "Debates on East Timor Society and Economy", published 12 May 2001 on Aidwatch website, accessed December 2002 at <http://members.canb.auug.org.au/~wildwood/01maydebates.htm>

<sup>117</sup> Subianto, L.H., 'A State in the Making: International Actors in East Timor, ' in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, p.166.

<sup>118</sup> Miller, J., "East Timor People Give UN Two Years to Accomplish Task", *Antara News Agency*, 24 March 2000.

<sup>119</sup> Aglionby, J., "Bungled UN aid operation slows East Timor's recovery", *The Guardian*, 30 August 2000; accessed September 2007 at <http://www.guardian.co.uk/world/2000/aug/30/indonesia.easttimor>

Vieira De Mello.”<sup>120</sup> This lack of commitment to reconstruction included a lack of commitment to capacity building, with UN bureaucrats accusing Timorese of lacking experience and skills but at the same time being reluctant to teach the Timorese.<sup>121</sup> The UN did not ensure that the institution builders it recruited were committed.

The above evidence shows that many of those given responsibility for building the capacity of government departments in East Timor were unsuitable for the task. This study does not, however, argue that a majority of UNTAET international staff were unsuitable. Actually, while serving as an UNTAET-funded capacity builder with two different government offices in East Timor, the study author observed that many fellow UNTAET staff were competent and motivated. Another observer similarly noted, “The UNTAET mission was able to attract some impressive professional staff, many of whom worked seven days a week, with great dedication.”<sup>122</sup>

### **Evidence that Ineffective practice number 2 stemmed from the conflicting priorities of international development institutions**

Many of the abovementioned unsuitable appointments can be related to conflicting priorities within UN institutions. The particular priorities that undermined institution building were the selfish power-plays of particular UN departments, the selfishness of individuals, the UN’s unwillingness to depart from problematic recruitment procedures and policies, and the UN’s short operational time frame.

The abovementioned slowness in recruitment and the lack of high quality capacity builders can be attributed partly to the selfish power-plays of particular UN departments. We have already seen that the DPKO prioritized its own control over the UN mission in East Timor, even when this conflicted with institution building aims. This clearly undermined recruitment of institution builders since the DPKO’s recruitment mechanisms were not set up to identify development experts. Indeed, initially the DPKO undervalued the civilian component of the UNTAET mission so

---

<sup>120</sup> Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, p.113.

<sup>121</sup> Subianto, L.H., ‘A State in the Making: International Actors in East Timor’, p.166.

<sup>122</sup> Dunn, J., *East Timor: a rough passage to independence*, NSW: Longueville Media, 2003, p.369.

drastically that it initially allocated only one recruitment officer to hire all civilian staff for the mission.<sup>123</sup> As the mission moved out of its emergency phase and began to focus more on institution building and other longer term needs, the DPKO may have been better off handing over recruitment authority to another UN body with more development experience. The DPKO chose to keep control and this, according to one review, “Negatively affected capacity-building and the relationship with the East Timorese in general.”<sup>124</sup> Even an UNTAET insider admitted, as early as 2000, that, “Inter-departmental personnel politics tends to prevent the quick dispatch of staff...and to inhibit the effective matching of experts and specialists to tasks on the ground.”<sup>125</sup>

Another UN body may have been more experienced at identifying institution builders but this was not the only problem with UN recruitment procedures. For most categories of UN workers, all hiring was done from New York and was based on insufficient information about applicants.<sup>126</sup> For example, in the author’s own experiences in one district, a Russian mid-level UN worker there was widely regarded by internationals and local people as more disruptive than helpful, trying to increase rather than decrease the amount of local government activity that depended on his involvement. The man had his contract renewed in 2001, to the bewilderment of locals and against the objections of UN recruitment personnel in Dili, reputedly because a fellow Russian in New York recommended him.<sup>127</sup> There were similar stories of other racial groups having backers in influential UN positions both in East Timor and New York.<sup>128</sup> A review of UNTAET’s achievements noted that recruitment rules later relaxed to allow more recruitment decisions to be made from Timor Leste but that early in the mission, “Many UNTAET staff .... were poorly qualified,” and ..., “Many were not interviewed at all before recruitment.”<sup>129</sup> Some UN recruiters in New York prioritized personal connections and retention of power in New York ahead of gaining accurate information on applicants. This prioritization contributed to the abovementioned high incidence of unskilled, unmotivated and otherwise unsuitable UN workers.

<sup>123</sup> *A Review of Peace Operations: A Case for Change, East Timor*, point 165.

<sup>124</sup> *Ibid*, points 155-156.

<sup>125</sup> Jarat Chopra, 'The UN Kingdom of East Timor,' *Survival*, Vol.42, No.3, 2000, p.35, found in December 2006 at [http://www.watsoninstitute.org/pubs\\_news/kingdom.pdf](http://www.watsoninstitute.org/pubs_news/kingdom.pdf)

<sup>126</sup> 'Lessons for Nationbuilders,' *New York Times*, editorial, 2 Feb 2002. The author’s own experiences showed many appointments, at least for higher level positions, were made on the recommendation of high level people in the UN in Dili. The UN in New York perhaps ought to have encouraged this practice to happen more often, providing strict guidelines to minimize nepotism.

<sup>127</sup> Study author’s own memory as a UN worker in Liquiça District in early 2002.

<sup>128</sup> Study author’s own memory. One belief in circulation in 2001-2 was that Filipinos had strong influence in UN recruitment and sometimes used this to favour Filipinos.

<sup>129</sup> *A Review of Peace Operations: A Case for Change, East Timor*, points 175-176.

Another UN recruiting practice that undermined capacity building was the UN's prioritization of administrators ahead of applicants who could actually teach East Timorese. In 2001, the Head of UNTAET told the UN Security Council, "We in the UN have too often looked for managers rather than mentors, who have thus not seen the need to deliver in this vital area of skills transfer."<sup>130</sup> A local NGO similarly observed that, "If more UNTAET international staff had understood from the beginning that they came here to help, not to do, East Timor would have a smaller hurdle to jump."<sup>131</sup> Four years after independence, Timorese leader Jose Ramos- Horta rued the UN's prioritization of other tasks ahead of skills transfer. He seemed to attribute this to lack of nation building experience, noting it was almost 40 years since the UN had attempted such a wholesale reconstruction - in what was the Belgian Congo in the 1960s - and that experience had failed to produce a functioning democracy.<sup>132</sup> The prioritization of administrators reflected prioritization of the UN's administrative task in Timor Leste and, at least early in the mission, reflected priority given existing UN staff and ways of working that allowed little time for capacity building.

Institution building was also restricted by general UN recruitment policies that made it difficult to recruit speakers of East Timor's most common two languages, Indonesian and Tetum .<sup>133</sup> This was because the UN was reluctant to employ Indonesians in East Timor. It could not recruit too heavily from neighbouring countries like Australia and Malaysia, where most Indonesian and Tetum speakers came from, because the UN Charter encouraged all UN Member states to contribute to UN missions.<sup>134</sup> A review of UNTAET suggested that abandoning the UN policy of, "Maintaining full geographical balance within each peace operation...would allow a reduction of the number of countries contributing to a single operation and would ... permit the

---

<sup>130</sup> East Timor Faces Post-UNTAET Challenges: What is to be done? The La'o Hamutuk Bulletin, Vol. 3, No. 4: May 2002.

<sup>131</sup> Ibid.

<sup>132</sup> Donnan, S., 'Dili dilemma: how blunders in building a nation are being brutally laid bare The UN's withdrawal of an interim administration four years ago now seems premature as Timorese are convulsed by anarchy,' *Financial Times*. London (UK): Jun 12, 2006. p. 17.

<sup>133</sup> According to one household survey, 82 % of Timorese spoke Tetum and 43 % spoke Bahasa Indonesia, while only 5 % spoke Portuguese. See UNDP, *Ukun Rasik An – the Way Ahead: East Timor Human Development Report 2002*, Dili : UNDP, 2002, p.36.

<sup>134</sup> Article 49 of the UN Charter states, "The Members of the United Nations shall join in affording mutual assistance in carrying out the measures decided upon by the Security Council", while Article 43 specifies the need for, "All Members of the United Nations...to contribute to the maintenance of international peace and security." Accessed 6 July 2007 at <http://www.un.org/aboutun/charter/index.html>

recruitment of police officers from cultural or linguistic backgrounds similar to those of the mission country.<sup>135</sup> An illustration of the contrast in recruiting policies of different organizations was found in the Water and Sanitation Department of the new East Timor Government in late 2002. A UN-appointed expert advised the Director of the Department using English language, often without a translator, while an AusAID team of Indonesians and Australians advised him in Bahasa Indonesia, in which he was far more comfortable.<sup>136</sup> It seems UNTAET retained this “full geographical balance” policy, despite the difficulty this posed to recruiting speakers of local languages.

Another UNTAET policy that hindered capacity building, at least through until mid 2000, was unwillingness to appoint locals as capacity builders. This was because UNTAET was led by the DPKO which, fearing being accused of favouring one Timorese group over another, tried to avoid giving decision-making power to locals. This contrasted with the World Bank’s policy of empowering locals.<sup>137</sup> Gradually, some locals were given capacity building roles within UNTAET but in 2001 one capacity building review still found the numbers to be insufficient. It suggested that more capacity builders could be local Timorese and where this was not feasible, expatriate Timorese should be appointed ahead of other foreigners.<sup>138</sup> Restrictive recruitment policies in the first 8 months of UNTAET contributed to its abovementioned shortage of language skills.

The UN’s unwillingness or slowness to change its recruitment policies suggests that finding appropriately skilled capacity builders was not a high priority. One researcher identified potential selfish individual motives for the high number of internationals recruited and for their lack of local knowledge. He noted that UN officials may have favoured employing professional UN staff ahead of local Timorese because the career system in the UN Secretariat did not reward managerial responsibility for local employees. The same researcher also speculated that, “Inclusion of persons with significant local knowledge would threaten those whose principal expertise was management in the UN system.”<sup>139</sup> In 2002, a local NGO complained that,

---

<sup>135</sup> *A Review of Peace Operations: A Case for Change, East Timor*, point 369.

<sup>136</sup> Personal observation of the author while working in Dili in Nov.2002.

<sup>137</sup> *A Review of Peace Operations: A Case for Change, East Timor*, points 24, 26-27.

<sup>138</sup> *Capacity Development for Governance and Public Sector Management: Program Overview*, Dili: NPDA with support from UNDP, Aug, 2001, p.38.

<sup>139</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no. 4 (2001). Suhrke notes this did not include the humanitarian relief budget or the World Bank administered TFET reconstruction budget.



“International staff, often ....with little relevant experience or understanding of East Timor’s history and culture, owe their loyalty and careers to the UN and the mission, rather than any East Timorese constituency.”<sup>140</sup> Years later, a researcher echoed this concern, arguing that internationals focused more on trying to please their bosses than trying to build local capacity. He added that this problem of, “Personnel responsible to the UN bureaucracy rather than to local situations and needs,” was a systemic flaw across all UN missions.<sup>141</sup> Some recruiters, it seems, prioritized self-preservation and self-advancement ahead of recruiting skilled capacity builders.

While those recruiting may have had mixed priorities, blame also lies with those who were recruited. One senior UNTAET official despaired that, “A handful of senior UN officials were more interested in self-advancement than helping the East Timorese rebuild their devastated country.”<sup>142</sup> Another senior UNTAET official confided to the study author that it was normal for UN officials to maneuver themselves into the particular positions where the human contacts and ‘CV outcomes’ were favourable for future promotion, while another confided in 2001 that he was burnt out but was remaining in East Timor because his wage there was far higher than he could earn elsewhere.<sup>143</sup> Others similarly noted that many UN staff, especially those whose employment prospects elsewhere were not so good, chose to stay on in East Timor even after they were burnt out.<sup>144</sup> Some individuals prioritized personal advancement or job retention ahead of what was best for East Timor.

The lack of suitability of many personnel can be traced not only to recruitment procedures but to the UN’s and donors’ preference to recruit many internationals all at once to solve East Timor’s problems. In fairness to the UN, it recognized the need for capacity builders to have, “Experience in providing mentoring, cultural sensitivity and if possible ability to converse in one of the local languages.”<sup>145</sup> However, with a large

---

<sup>140</sup> East Timor Faces Post-UNTAET Challenges: What is to be done? The La'o Hamutuk Bulletin, Vol. 3, No. 4: May 2002.

<sup>141</sup> Scheiner, C., ‘Self-determination requires more than political independence: Recent developments in Timor-Leste,’ 27-28 October 2006. Accessed in December 2007 at <http://www.laohamutuk.org/reports/06SelfDeterminationSahara.htm>

<sup>142</sup> Reported in Dodd, M., “UN Staff Battle over Independence Policy”, *Sydney Morning Herald*, 13 March 2000, p.10.

<sup>143</sup> Private conversations with study author, 2000 and 2001 respectively. Both speakers had been with UNTAET since 1999.

<sup>144</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a Fragile State*, Charles Darwin University Press, 2005, pp.86, 89.

<sup>145</sup> *Capacity Development for Governance and Public Sector Management: Program Overview*, Dili: NPDA with support from UNDP, Aug, 2001, p.38.

number of positions to be filled in the pre-independence period and relatively few suitable applicants, the UN was forced to appoint applicants who lacked these skills. Moreover, less skilled staff tended to be the ones who stayed longer in East Timor as they were less able to find alternative postings.<sup>146</sup> The UN could have spread its existing funds more evenly over a longer time frame, meaning there would have been fewer vacancies at any one time and therefore only skilled candidates would have been appointed to build capacity in East Timor. Instead, as seen in Box 1 below, UN donor countries chose to provide a large amount of funding that had to be spent and accounted for in the pre-independence period and only a small amount to be spent in the post independence period.

Box 1: UN expenditures in East Timor, 1 December 1999 to 30 June 2005<sup>147</sup>

UN Mission	Period	Expenditures
UNTAET	1 December 1999 to 30 June 2000	\$350 million
	1 July 2000 - 30 June 2001	\$563 million
	1 July 2001-30 June 2002	\$476.8 million (gross)
UNMISSET	1 July 2002 to 30 June 2003	US\$287,941,100 (gross)
	1 July 2003 to 20 May 2004:	US\$196,007,600 (gross)
	21 May to 30 June 2005 :	US\$81,549,200 (gross)

The option to spread funding over a longer timescale was presumably outweighed by the priority attached to satisfying UN donor countries by spending their donations quickly and allowing their attention to move to other countries and tasks. One review noted that the short timescale, “Could be seen as having been as much driven by what the UN Secretariat judged major country contributors’ budgets and the Security Council’s limited patience with nation-building would bear as by the practicalities of implementing the transitional administration’s mandate.”<sup>148</sup> Clearly the time scale was determined by considerations not related to capacity building, as even the head of UNTAET recognized in 2001 that, “It is impossible to establish a new administration,

<sup>146</sup> *A Review of Peace Operations: A Case for Change, East Timor*, points 175-176.

See also Federer, J., *The UN in East Timor: Building Timor Leste, a fragile state*, pp.89, 91.

<sup>147</sup> For expenditure from 1 December 1999 to 30 June 2001, see ‘A Closer Look at the UNTAET Budget’, *La'o Hamutuk Bulletin*, Vol. 2, No. 1 & 2: April 2001.

For 1 July 2001 to 30 June 2005, see <http://www.un.org/Depts/dpko/missions/unmiset/facts.html> and <http://www.un.org/peace/etimor/UntaetF.htm>

<sup>148</sup> *A Review of Peace Operations: A Case for Change, East Timor*, point 30.

democratic institutions, restore public services and revive an economy in just over two years.”<sup>149</sup>

Finally, the actual length of many international contracts was not always conducive to finding or retaining capacity builders who were committed and who understood the local context. One interviewee noted that many Canadian advisers were only given short-term leave from their jobs back in Canada.<sup>150</sup> Use of short term contracts was in fact common across many institutions providing capacity builders and this was deemed problematic. For example, one expert reflected, many UN capacity builders, “Were hired on six-month contracts. With all international positions ending with each mission transition (every one or two years), many internationals spent more time getting oriented or looking for their next posting than performing their jobs or transferring their skills.”<sup>151</sup>

A report on trainers who were sent to the districts in January 2002 but whose contracts ended with the end of UNTAET in May 2002 found that, “Any future training should be scheduled over a minimum one-year period if it is to be effective and enhance the capacity of the governmental staff.”<sup>152</sup> Federer similarly argued that the UN’s mentoring process was conducted too hastily and with too much concern for appearances than substance.<sup>153</sup> Training and mentoring programs were often too short for effective capacity building and this seems to show prioritization of donors’ timelines ahead of effective capacity building.

If institution building had been a higher priority for the UN in East Timor, it could have adopted different recruitment strategies and time frames. This would have enabled it to avoid employing institution builders with poor skills or attitudes.

---

<sup>149</sup> ‘East Timor Moves from Emergency Reconstruction to Development Mode’, World Bank report from Canberra Donors Conference, 15 June 2001. Accessed in June 2005 at [http://web.worldbank.org/WBSITE/EXTERNAL/ NEWS/0,,contentMDK:20016633~menuPK:34466~pagePK:34370~piPK:34424~theSitePK:4607,00.html](http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20016633~menuPK:34466~pagePK:34370~piPK:34424~theSitePK:4607,00.html)

<sup>150</sup> Aleixo, A., CIDA Program Support Unit, in unpublished interview with study author, 25 July 2005.

<sup>151</sup> Scheiner, C., ‘Self-determination requires more than political independence: Recent developments in Timor-Leste’, La’o Hamutuk paper for the conference on International Law and the Question of Western Sahara, Institute of Social Studies, Den Haag, Netherlands, 27-28 October 2006, Found at <http://www.laohamutuk.org/reports/06SelfDeterminationSahara.htm> , accessed Jan 2007.

<sup>152</sup> Larke, B., *Liaison and Training Officer Review: Training Overview/Training Framework, East Timor* Ministry of Internal Affairs, Office of District Administration, May 2002, p.10. (since the ODA had misplaced the document, I obtained a copy from the review writer.)

<sup>153</sup> Federer, J., pp.91-93, 96, 100-101.

### **Ineffective practice number 3 :**

**The UN was slow to give government decision-making experience to Timorese. Donors and international finance institutions working with government institutions were also sometimes reluctant to devolve decision-making authority.**

In addition to mistakes in planning and recruiting for UNTAET, UN officials in New York and East Timor were criticised for failing to consult adequately with the East Timorese. Even donors and international finance institutions were felt to have strong, almost non-negotiable views on some aspects of government structure.

The initial position of the Department of Peacekeeping Operations, the UN department responsible for running the UNTAET mission, was that there should be no formal engagement with Timorese until Timorese had developed administrative capacity and democratically chosen their representatives.<sup>154</sup> Moreover, the UN's Department of Peacekeeping Operations started with no full-time planners, meaning its planners could not be relocated from New York to Darwin or Dili, where consultation with Timorese would have been easier.<sup>155</sup> As a consequence, UNTAET made little progress in consulting Timorese in the first seven months. The CNRT was denied many opportunities to contribute to decision-making on East Timor's reconstruction and denied material support like office space and cars. The lack of international support for CNRT even extended to one of its leaders having his house raided three times by UN multi-national peacekeepers.<sup>156</sup> The first formal consultative move was made in December 1999, when the UNTAET head created the National Consultative Council (NCC) to hear advice from Timorese leaders from within and outside CNRT, however many CNRT leaders felt this format, "Was not inclusive, and not realistic".<sup>157</sup> No

---

<sup>154</sup> *A Review of Peace Operations: A Case for Change, East Timor, Conflict, Security and Development* Group, King's College London, 10 March 2003, points 26-27, 296.

See also, Suhrke, A., *Peace-Keepers as Nation-builders: Dilemmas of the UN in East Timor, International Peacekeeping*. Vol. 8, no.4 (2001).

<sup>155</sup> *A Review of Peace Operations: A Case for Change, East Timor, Conflict, Security and Development* Group, King's College London, 10 March 2003, footnote 17.

<sup>156</sup> Robinson, G., "With UNAMET in East Timor : A Historian's Personal View", in *Bitter Flowers, Sweet Flowers : East Timor, Indonesia and the World Community*, R.Tanter, M.Selden and S.R. Shalom (eds), Oxford : Rowman and Littlefield, 2000, p.69

<sup>157</sup> *A Review of Peace Operations: A Case for Change, East Timor*, 10 March 2003, point 297.

Timorese-staffed parallel administration was set up to trial new procedures and to increase locals' management experience.

The lack of East Timorese involvement in the administration undermined institution building in numerous ways. It reduced opportunities for administrative experience and training,<sup>158</sup> denying opportunities to Timorese leaders who were, through one organization or another, destined to be the backbone of the future East Timorese Government. Moreover, as CNRT head Xanana Gusmão noted, ignoring locals meant ignoring sources of specialist knowledge. UNTAET should, he stressed, "Involve the East Timorese in all aspects because we know the situation, we know our people and we can help solve problems."<sup>159</sup> The next section of this chapter will examine specific cases of the UN introducing procedures and structures that were impractical or missing opportunities to build on local skills and traditions. Suffice to say at this point that denying learning opportunities and undervaluing local knowledge was not a good start to institution building.

The lack of East Timorese involvement also undermined institution building by fostering counter-productive feelings like anger and lack of trust. East Timorese remained unemployed while huge amounts of money were being spent on wages and logistics support for international personnel, many of whom were regarded as insensitive and unproductive.<sup>160</sup> The CNRT vice-president, Mario Carrascalao, accused UNTAET of running the country, "As if it were a dictatorship."<sup>161</sup> The CNRT President, Xanana Gusmão, broke protocol one day by entering the UNTAET compound with armed guards. CNRT leaders complained about "the arrogance of international agencies and of their refusal to cooperate with CNRT in the planning and implementation of humanitarian operations." Numerous international observers agreed with the CNRT that, being an umbrella group for many political parties and having led the pro-independence that won the support of nearly 79 % of East Timorese voters, it

---

<sup>158</sup> Fox, J.J., "Assessing UNTAET's Role in Building Local Capacities for the Future", in H. Soesastro and L.H. Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, p.47.

<sup>159</sup> Dodd, M., "Gusmão to UN : Get Tougher", *Sydney Morning Herald*, 13-3-2000, p.9

<sup>160</sup> Subianto, L.H., 'A State in the Making: International Actors in East Timor', in H. Soesastro and L.H. Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, p.145.

<sup>161</sup> Tanter, R., Selden, M., and Shalom, R., "East Timor Faces the Future", *Bitter Flowers, Sweet Flowers*, Tanter, Selden and Shalom (eds), 2000, p.243-245

deserved more of a role in the reconstruction.<sup>162</sup> Upsetting the locals and reducing their sense of responsibility for the administration of their own country was also not a good start to institution building.

Greater responsibility did begin shifting to local people beginning mid 2000. In June 2000 a new administrative bureaucracy called the East Timor Transitional Authority (ETTA) was created in parallel to the UNTAET bureaucracy to provide employment and civil service experience for an increasing number of East Timorese. Then on 13 July 2000, the NCC was transformed into an all-Timorese 'National Council' with expanded membership and powers. One observer felt the National Council was more active than the NCC, being empowered not just to be consulted by the UNTAET leadership but to share in decision-making, including being given the right to accept or reject regulations proposed by UNTAET. One pro-Indonesian leader viewed the creation of the all-Timorese National Council as a chance for 'learning by doing.'<sup>163</sup> By December 2000, the number of civil servants had grown to 4,740 teachers and 1036 others.<sup>164</sup>

The transfer of responsibility continued across many government offices throughout 2001. In September 2001 five international NGOs transferred, "Their role in the management of district health services to the new District Health Management teams," with management of health services in all districts expected to be handed over before independence.<sup>165</sup> A World Bank report observed that the process of Timorization was proceeding well in the Division of Agricultural Affairs since by 28 September 2001, all 126 staff had been appointed and capacity building efforts had started.<sup>166</sup> Also in September 2001, following free and fair elections of 88 Timorese representatives to write the country's first constitution, an all-Timorese Council of Ministers was sworn in.<sup>167</sup> It seemed UNTAET was finally achieving impressive Timorization milestones.

---

<sup>162</sup> Robinson, G., 'With UNAMET in East Timor – An Historian's Personal View', *Bitter Flowers, Sweet Flowers*, Tanter, Selden and Shalom (eds), 2000, pp.69-70; see also Ife, J., "Report of Assessment Mission to East Timor," International Federation of Social Workers, Nov. 1999, p.4; the study author was in East Timor during this period and also agreed.

<sup>163</sup> Gusmão, A., 'Apa Target NC?', *Talitakum*, 10-12-2000, p.11-12.

<sup>164</sup> United Nations Transitional Administration in East Timor and the World Bank, *Background Paper for Donors Meeting on East Timor*, Brussels, 5-6 December 2000.

<sup>165</sup> 'TFET Update No.13,' World Bank, 22 Oct 2001, accessed Dec 2002 at [www.worldbank.eap](http://www.worldbank.eap).

<sup>166</sup> 'Project Appraisal Document on a Proposed TFET Grant for a 2nd Agriculture Rehabilitation Project', World Bank Papua New Guinea / Pacific Islands Country Unit, 28 September 2001, p.104

<sup>167</sup> United Nations Transitional Administration in East Timor, East Timor Transitional Government and the World Bank, *Background Paper for Donors Meeting on East Timor*, Oslo, 11-12 December 2001. Note that veto authority remained with a non-Timorese, the head of UNTAET.

Despite the milestones, many people remained concerned about whether Timorese were really being given opportunities to gain decision-making experience and to help decide the new government's procedures and long term structures. In October 2000, CNRT leader Xanana Gusmão was still complaining that development plans continued to be designed by non-Timorese, with East Timorese expected merely, "To give their consent as observers rather than the active players we should start to be."<sup>168</sup> Seven months later, a local newspaper editorial similarly noted, "Many Timorese are disappointed because the Timorisation process just appears to be on the surface, with numbers more important than having the power to make important decisions".<sup>169</sup> A group of Timorese activists argued that the creation of a partly Timorese Cabinet in mid 2001, "Was a response to criticism and not a methodical plan", so instead of representing genuine goodwill and power sharing, it was more like a token concession.<sup>170</sup> There remained a suspicion that some aspects of planning were more open to consultation than others. A UN review conceded that the timeframe for the UN's handover of power was 'UN-Driven'.<sup>171</sup> And even after independence, Timorese NGOs feared that, instead of Timorese having genuine input, the country's development might be, "Approached with a simple 'one size fits all' model."<sup>172</sup>

There was general agreement amongst Timorese and foreigners that the opening up of senior government positions to Timorese needed to translate into increased decision-making opportunities. However, there was less agreement over what level of decision-making the Timorese were equipped to handle and when overall government authority should be handed over by the UN. One Timorese INGO worker argued that some Timorese who had been propelled to senior government positions were actually reluctant to read long documents, especially documents in English or Portuguese, and some did not know how to prioritise tasks.<sup>173</sup> One NGO head cautioned that, "People

<sup>168</sup> Xanana Gusmão in Dodd, M., 'Gusmão gives UN team a serve: 'We don't want a legacy of cars' *Sydney Morning Herald*, 10 Oct 2000, p.11. [also found in Dec 2006 at <http://etan.org/et2000c/october/1-8/10gusm.htm>].

<sup>169</sup> Editorial, *Suara Timor Loro Sa'e*, 19 April 2001.

<sup>170</sup> "A popular challenge to UNTAET's achievements", written by an as yet unnamed group of East Timorese linked to RENETIL which includes Dr Lucas da Costa and Jose Antonio Neves. Accessed Sept 2003 at <http://members.pcug.org.au/~wildwood/01seppopular.htm>

<sup>171</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, points 300-301.

<sup>172</sup> Fonseca, J., "Joint Statement: East Timorese and International NGOs To Dili Donors Conference," 23 May 2002; accessed 11 Jan 2005, at [http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display\\_item=1](http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display_item=1)

<sup>173</sup> Aleixo, A., CIDA Program Support Unit, in unpublished interview with study author, 25 July 2005.

speedily propelled to positions they were not yet equipped for, tended to be unable to satisfy the needs of the organization.” He was critical of some ‘Timorese elites’ and UN donor nations who favoured a speedy hand over of power to the Timorese.<sup>174</sup> One UN review noted that, while some Timorese were calling for UN withdrawal by April 2000, originally the Timorese resistance movement had proposed UN tutelage for 11-13 years before independence.<sup>175</sup> There was even disagreement about how much decision-making authority Timorese should have within UNTAET’s specially appointed Transition Team to plan the UN withdrawal.<sup>176</sup>

Some observers cautioned that certain types of consulting could actually be detrimental to capacity building. Consulting too narrowly about major decisions could produce policies that favoured only one narrow class. For example, out of the five Timorese chosen by UNTAET as Cabinet ministers before the Constitutional Assembly elections of August 2001, four were Timorese who had not lived in East Timor during the Indonesian occupation.<sup>177</sup> UNTAET consultation with them may not always have been in the interests of the Timorese mainstream. In one case, when the study author was working in the Cabinet secretariat in mid 2001, some insiders felt that the Fretilin members of the Cabinet were trying to stall more politically nuanced bills until after the August 2001 elections, where their expected majority would allow alteration of the bills. Also, academic George Aditjondro observed that UNTAET’s consultation focused on Timorese leaders from the diaspora, who were in turn were advised by inner circles comprised largely of Timorese from the diaspora. These elites had, he worried, “A different conception of development. They believe in the neoliberal development path (involving) the role of the World Bank, the International Monetary Fund and much foreign investment; while many of the young growing up here and in East Timor have digested the original strategy or philosophy of the Fretilin which was more socialist, stressing self-reliance, agrarian reform. These young people are now politically, culturally and also economically alienated.”<sup>178</sup> In 2001, a group of

---

<sup>174</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a Fragile State*, Charles Darwin University Press, 2005, pp.86, 103, 116, .

<sup>175</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, point 30.

<sup>176</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, points 349-350.

<sup>177</sup> These were Mari Alkatiri, Ana Pessoa, Jose Ramos Horta and Joao Carrascalao.

See also, *Australia’s Role in United Nations Reform*, Joint Standing Committee of Foreign Affairs and Trade, Australian Parliament, Canberra, June 2001, p.102.

<sup>178</sup> Aditjondro, G., in Nurbati, A., “East Timorese Becoming Guests in Their Own Land”, *Jakarta Post*, 2 Feb., 2001.



Timorese activists similarly speculated, “It was taken for granted that NC members represented the grassroots, but this was not necessarily the case.”<sup>179</sup> By consulting mainly Timorese elites, UNTAET may have heard unrepresentative views of what Timorese wanted.

UNTAET’s narrow consultation may also have given an unfair political advantage to certain groups. The Fretilin party won the August 2001 elections with a 55% majority and could thereafter claim to be representative, but in hindsight some have questioned why the upper echelons of this party were allowed to make Portuguese the official language of East Timor’s future Government, alongside only Tetum, more than eight months before UNTAET’s final handover of power. This may not have reflected the will of most Fretilin or other voters, since most Timorese could speak only Indonesian and East Timorese languages.<sup>180</sup> One UN international later argued these leaders’ desire to adopt the Portuguese language led an entire generation educated by the Indonesians to lose touch with the government.<sup>181</sup> Another long term effect of UNTAET’s choice of interlocutors was that the resultant choice of language, in addition to the greater public exposure given by UNTAET to Timorese diaspora returnees than to Indonesian-speaking Timorese, may have given the Timorese diaspora an unfair advantage in post-independence Timorese politics. A third advantage was that UNTAET’s rushed transition to independence meant there was insufficient time for parliamentary elections and the Fretilin-dominated Constituent Assembly simply became the nation’s first parliament.” It has even been suggested that these advantages given to the Fretilin party in pre-independence politics encouraged that party to aspire to, “Firm, nearly one-party rule”.<sup>182</sup>

Consulting too narrowly about major decisions could also produce policies that favoured only one geographic location. Those Timorese consulted in Dili did not push UNTAET to develop legal frameworks or mentoring opportunities to empower district administrations. In fact, UN staff focusing full-time on capacity building, as opposed to focusing part-time on capacity building and part-time on direct government tasks,

---

<sup>179</sup> “A popular challenge to UNTAET’s achievements”, Written by an as yet unnamed group of East Timorese linked to RENETIL which includes Dr Lucas da Costa and Jose Antonio Neves. Accessed Sept 2003 at <http://members.pcug.org.au/~wildwood/01seppopular.htm>

<sup>180</sup> Aditjondro, G., in Nurbati, A., “East Timorese Becoming Guests in Their Own Land”, *Jakarta Post*, 2 Feb., 2001.

<sup>181</sup> Neumann, A. Lin, ‘Getting It Wrong In East Timor,’ *Far Eastern Economic Review*, July/August, 2006.

<sup>182</sup> Gorjão, P., “The Legacy and Lessons of the United Nations Transitional Administration in East Timor”, *Contemporary Southeast Asia*, Vol.24, Number 2, August 2002, pp.322-323, 326.

were not placed in the district administrations until January 2002, just four months before independence. Many officials and village heads in the districts felt centralization of power undermined the government's ability to identify needs and run effective programs in the districts.<sup>183</sup> Consulting mainly in urban areas was surely also unrepresentative, given that only 24 % of the population lived there.<sup>184</sup> Wider consultation in UNTAET times may have increased institution building outside Dili.

Finally, there are mixed views on the amount of Timorese decision-making afforded through World Bank programs to build the East Timor Government. The World Bank's CEP (Community Empowerment Program) councils were structures introduced by the Bank to later serve as a formal link between Timor's government and each community, and as a more democratic alternative to pre-existing village-level government structures. A World Bank report on CEP progress argued that one of CEP's strengths was that, unlike the Indonesian programs which were based on the wishes of political leaders, CEP programs were based on the wishes of local communities.<sup>185</sup> The World Bank's Chairperson in East Timor maintained that all political parties within CNRT had helped shape the CEP Project.<sup>186</sup> The lack of early CNRT criticism of CEP's structure and aims suggests they were indeed consulted.

Some Timorese, either at the start of the CEP project or shortly thereafter, felt there was insufficient Timorese control. By 2001, there was outright criticism from leaders like the CNRT Secretary of Ermera Sub –Region. He claimed that that the local CEP councils were formed by the World Bank and controlled by the World Bank alone, and that existing structures like the CNRT were informed rather than consulted about CEP decisions and progress.<sup>187</sup> Interestingly, a UNDP-backed questionnaire in April 2002 found that 57% of 119 respondents felt community level decision-making was very inclusive, but most of these referred to community meetings in general and only one respondent mentioned CEP councils playing a role in community level decision-

---

<sup>183</sup> Study author's experience as a 'District liaison officer' in Liquiça district from January – May 2002, and from discussions with internationals working in other districts in 2002.

<sup>184</sup> Poverty in a New Nation: Analysis for Action (In Two Volumes) Volume I: Main Report, Report No. 25662-TP, World Bank Poverty Reduction and Economic Management Sector Unit, East Asia and Pacific Region, Timor-Leste, accessed on 6 July 2007 at [www-wds.worldbank.org/external/default/WDS/ContentServer/WDSP/IB/2007/01/12/000112742\\_20070112162922/Rendered/PDF/256620TP0v1.pdf](http://www-wds.worldbank.org/external/default/WDS/ContentServer/WDSP/IB/2007/01/12/000112742_20070112162922/Rendered/PDF/256620TP0v1.pdf)

<sup>185</sup> Brown, G.M., *Trust Fund for East Timor : East Timor TP Community Empowerment II*, World Bank, 10 Jan., 2001, p.2

<sup>186</sup> Sarah Cliff, in Rodriguez, N., 'CEP Dibangun untuk melenkapi Struktur Lain', *Talitakum*, 7 May 2001, p.30

<sup>187</sup> Da Silva, G., 'Tujuan Mulia, Kesenjangan Melebar', *Talitakum*, 7 May 2001, p.7

making.<sup>188</sup> Thus CEP consultation was limited to consultation with newly formed local councils rather than longer-running structures, and largely limited to input about individual projects rather than affecting the upper level structure of the Community Empowerment Program. In 2006, a review of the CEP project remorsefully concluded, “Local community members view the councils as CEP councils, not their own, and most East Timorese believe that the councils would dissolve without the community grant monies which now give them a purpose...In fact, Timorese officials interviewed by the mission noted that CEP was essentially a Bank project with little ownership within the country and pointed out their disagreement with the project concept and approach to utilization of scarce grant resources.”<sup>189</sup>

In other aspects of reconstruction, the World Bank’s devolution of decision-making to Timorese also received mixed reviews. Whilst in November 1999, CNRT head Xanana Gusmão accused the World Bank of sometimes imposing its own views on how East Timor should be reconstructed,<sup>190</sup> a World Bank-led assessment of future government needs (the JAM Mission) was praised, “For its broad inter-organisational consultation and East Timorese inclusion.”<sup>191</sup> Whilst the Pilot Agricultural Service Centres established by the Bank in 2000 were criticized by many district level government officials, much decision-making seems to have been devolved to Timorese government officials. The Division of Agricultural Affairs was said to have felt sufficient ownership of the project such that they threatened to fire district-level agricultural officers who opposed the project too vocally.<sup>192</sup> The Division of Agricultural Affairs also had the authority to appoint Board members and various technical experts to the Pilot Agricultural Service Centres and though the district-level agricultural officers had little say in project design, they had a significant voice in the day-to-day running of the PASC since they sat on its Board.<sup>193</sup> Even after independence in 2002, activists argued that East Timorese were, “being coerced to accept a system that will give the World Bank power to manipulate the new government’s policies,” since donors gave much of

---

<sup>188</sup> *Situation Analysis of Civil Society Organisations In East Timor*, Dili: UNDP, 2002, p.31.

<sup>189</sup> World Bank, ‘Timor-Leste Project performance assessment report’, Report no. 36590, World Bank Sector, thematic and global evaluation division : Independent evaluation group, 27 June 2006, pp.17 (Footnote 45), 19.

<sup>190</sup> ‘Gusmão Wary of Bank’s Policy Push’, *Sydney Morning Herald*, 10 Nov.1999, p.13.

<sup>191</sup> *A Review of Peace Operations : A Case for Change - East Timor Study*, Conflict, Security and Development Group, Kings College London, 10 March, 2003, point 143.

<sup>192</sup> ‘Assessing the World Bank’s Agriculture Rehabilitation and Development Project,’ *The La’o Hamutuk Bulletin*, Vol. 1, No. 4: 31, December 2000.

<sup>193</sup> ‘An Assessment of Pilot Agricultural Service Centers in East Timor’, *The La’o Hamutuk Bulletin*, Vol. 3, No. 1: February 2002.

their funding via the World Bank instead of directly to the new government.<sup>194</sup> The World Bank acknowledged such a role, warning that it would, “Present recommendations ... where implementation is off track” and that, “Progress will be taken into account ...in determining the proposed level of financing and content of subsequent programs.” It noted with comfort that, “The Government’s guiding principles for donor support in the post independence period assign the IMF a central role in ...advising on macro-economic policies.”<sup>195</sup> The amount of freedom given to the East Timorese Government at the macro-economic level is debatable.

In summary, most observers felt that institution building would have benefited from earlier consultation with Timorese and some felt that consultation by UNTAET about governance planning needed to be with a wider cross-section of Timorese society. In addition to granting earlier consultation, earlier granting of genuine decision-making power, at least in some aspects of government, would have eased tensions, built local people’s governance experience and allowed adjustment of the international reconstruction model to suit local conditions. The World Bank appears to have been quicker than UNTAET to devolve decision-making to locals, at least in the case of the World Bank’s CEP program to contribute to community level government, though some felt the World Bank tried to limit or influence Timorese decision-making on matters of macro-economic policy. Finally, it was argued that in some government offices, local capacity first needed to be developed before decision-making could be effective. In these offices, the UN did the right thing by delaying handover of decision-making responsibility.

---

<sup>194</sup> Editorial, *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

<sup>195</sup> ‘Program Appraisal Document on a Proposed Post Conflict Grant for a Transition Support Program,’ World Bank, 22 July 2002, p.22.

## **Evidence that Ineffective practice number 3 stemmed from the conflicting priorities of international development institutions**

The section above has established that if UNTAET had given more responsibility to Timorese at an earlier date, this would, in most cases, have assisted institution building. This section will show that earlier handover of responsibility was in fact possible but that conflicting priorities prevented the UN from doing this.

It was certainly possible to give more responsibility to Timorese at an earlier date but the UN's DPKO, in charge of UNTAET, chose not to do so. Other UN agencies and departments like the UNDP and the Department of Political Affairs clearly believed earlier consultation with Timorese was possible, since they advocated this.<sup>196</sup> Also, the World Bank showed that earlier consultation was possible. It had begun training and consulting Timorese leaders even before the 30 August 1999 referendum and only 4 days after the UN officially took power in East Timor, the World Bank was able to start a 'Joint Assessment Mission' (JAM), involving East Timorese in assessing East Timor's reconstruction needs.<sup>197</sup> It further noted that UNTAET could have focused first on recruiting senior civil servants, to expedite a more rapid transfer of responsibility, but instead started by recruiting lower level positions, meaning "Most senior civil servants were only recruited in mid-to-late 2001."<sup>198</sup> The East Timorese also felt the UN could have, and should have, given them more responsibility from an earlier stage. The CNRT movement, which claimed to represent most Timorese, wanted to form a Transitional Council and Public Service Commission to allow them formal input into UNTAET's decision-making.<sup>199</sup> When this was initially refused by UNTAET, CNRT leader Xanana Gusmão criticized UNTAET's approach, "In which the role of the East Timorese is to give their consent as observers rather than the active

---

<sup>196</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, International Peacekeeping. Vol. 8, no 4 (2001).

<sup>197</sup> Cliffe, S., 'The Joint assessment mission and reconstruction in East Timor', in Fox, J.J. and Babo-Soares, D. (eds), *Out of the Ashes: Destruction and reconstruction of East Timor*, South Australia: Crawford House Publishing, 2000, pp.252-253.

<sup>198</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, pp. 11,16. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>199</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 25 (including footnote 24).

players we should start to be”.<sup>200</sup> Everybody seemed to believe an early role for Timorese in reconstruction planning was possible, except for the UN’s DPKO.

The UN’s Department of Peacekeeping Operations started with no Timorese staff in UNTAET and no formal mechanisms for consultation. This was supposedly so the UN could not be accused of taking sides but also because, “It was hard enough to deal with the existing ... variety of views among Member States...[It] would have been impossibly complex to bring all the different Timorese interests to the table as well.”<sup>201</sup> The UN’s DPKO prioritized administrative expediency for DPKO in New York ahead of building Timorese capacity.

In allocating funding for UNTAET, the UN’s DPKO prioritized its military forces and international administration ahead of mechanisms for consultation and devolution of responsibility. Military expenses were easily the largest component of UNTAET’s budget, even though there was no serious internal threat by the time UN peacekeepers deployed in 2000 and it is questionable whether border protection really required the 10,000 or so international troops that were deployed to East Timor.<sup>202</sup> The initial plans for the civilian administration made no provision for a parallel administrative structure staffed by East Timorese.<sup>203</sup> They did not even include funding to set up an advisory body of East Timorese!<sup>204</sup> After UNTAET’s establishment, a separate fund was set up to collect voluntary contributions to finance the parallel Timorese government’s operational costs, including civil servants’ salaries and the repair of government buildings. But donors pledged only 48 million to cover these costs from November 1999 to June 2001, compared to 963 million pledged to cover UNTAET’s costs for the same period.<sup>205</sup> More money could have been allocated by DPKO to fund Timorese consultation and decision-making bodies but it seems military and administrative priorities were higher than capacity building priorities.

---

<sup>200</sup> Dodd, M., ‘Gusmão gives UN team a serve: ‘We don’t want a legacy of cars’, *Sydney Morning Herald*, 10 Oct 2000, p.11. [also found in Dec 2006 at <http://etan.org/et2000c/october/1-8/10gusm.htm>].

<sup>201</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, points 26-27.

<sup>202</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a fragile state*, Charles Darwin University Press, 2005, p.124.

<sup>203</sup> Babo-Soares, D., “Success, Weakness and Challenges of the Political Transition in East Timor”, in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, p.28.

<sup>204</sup> Subianto, , L.H., ‘A State in the Making: International Actors in East Timor, ‘ in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, p. 165.

<sup>205</sup> ‘External Funding: Sources and Uses’, *The La'o Hamutuk Bulletin*, Vol. 2, No. 1 & 2: April 2001.

The above allocation of resources and lack of consultation show DPKO was not prioritizing institution building, but what was it prioritizing? Partly it was prioritizing the easy path – that is, the reconstruction model it knew well from Kosovo. DPKO officials did not deny that many structures of the Kosovo mission were just copied and pasted to the East Timor mission, including the DPKO's arms-length treatment of CNRT based on its arms-length treatment of the Kosovo Liberation Army.<sup>206</sup> The DPKO thus prioritized its peace-keeping procedure of remaining politically neutral, arguing that CNRT was neither a political party nor a winner of an election for government. This was despite other international organizations being more flexible and viewing CNRT as broadly representative. Perhaps the DPKO decided there was less work involved and less risk of international criticism about neutrality if it just kept using the structures and procedures it had used in other countries.

The DPKO's inflexibility may also have been motivated by power hunger. Its inflexible interpretation of CNRT may have reflected a desire to keep power for itself. Similarly, given the DPKO had just won leadership of the mission after a power struggle with the Department of Political Affairs (DPA), perhaps it allocated a large amount of funding to the military component to emphasise that this was a military mission and not one that could easily be led by the DPA. If the military rather than development role of the UN mission could be emphasized, the DPKO could more justifiably sideline the DPA. An UNTAET review also hinted at the possibility of power hunger influencing the DPKO's and donors' slowness in appointing or training senior government officials. This slowness, it noted, meant there were fewer Timorese positioned to give policy input and this could, "Lead to a continued situation of donors and special interests driving (at least) capacity development initiatives and perhaps implicitly the policy and development agendas".<sup>207</sup> Finally, power hunger may also have appeared at the individual level. DPKO staff perhaps sought career advancement by refusing to fund a Timorese administration. After all, in a previous section of this chapter it is noted that UN personnel gained promotion points for supervising UN personnel but not for supervising local people, so they may have preferred to allocate funding to hiring UN personnel rather than hiring Timorese administrators.

---

<sup>206</sup> *A Review of Peace Operations: A Case for Change, East Timor, Conflict, Security and Development* Group, King's College London, 10 March 2003, points 27-28.

<sup>207</sup> *Capacity Development for Governance and Public Sector Management: Strategic Management Framework*, Dili: National Planning and Development Agency with support from UNDP, March 2001 (draft), p.12.

While DPKO officials in New York had latitude to make a choice about consultation structures (or lack of them), it could be argued that UN officials in East Timor had less latitude to consult, and that it is therefore difficult to assess their priorities. After all, they were hamstrung in 1999 by New York planners who insisted that all offices in the UN mission be run by international personnel.<sup>208</sup> They were hamstrung too, we have seen, by New York-imposed restrictions on spending money on Timorese consultative bodies. The UNTAET mandate, passed by the UN Security Council on 25 October 1999, could also have been more helpful but wasn't. It authorised the head of UNTAET, "to consult and cooperate closely with the East Timorese people ... with a view to the development of local democratic institutions,"<sup>209</sup> but gave him no guidance about how to do this. Given these restrictions from New York, and the fact that the Timorese themselves often had conflicting opinions,<sup>210</sup> it may be argued that Timor-based UN officials were forced to go slow on consultation and devolution of responsibility.

Closer examination, however, shows that a wide variety of international voices felt at the time that there was some element of choice available to Timor-based UN officials. In January 2001, the European Union told the UN Security Council, "The 'Timorization' efforts within the Transitional Administration must be pushed forward... It is essential to involve East Timorese ... in the policy-making and administrative structure at all levels".<sup>211</sup> In December 2001, UNTAET and the World Bank observed, "At least some of the large corpus of research, surveys and studies that has been undertaken over the last two years needs to be translated."<sup>212</sup> Translating such documents would have facilitated better decision-making by Timorese so the fact that translation was delayed for up to two years shows UNTAET's lack of interest in institution building. A year later a New York Times editorial reflected that, "The

---

<sup>208</sup> Subianto, L.H., 'A State in the Making: International Actors in East Timor' in H. Soesastro and L.H. Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta: Centre for Strategic and International Studies, 2002, pp. 144-145.

<sup>209</sup> *UN Security Council resolution 1272 (1999)*, 25 October 1999, accessed Jan 2005 at <http://www.un.org/peace/etimor/UntaetM.htm>

<sup>210</sup> Differences of opinion among Timorese were highlighted by the dissolution of CNRT in June 2001 and by disagreement over the amount of time for the transition to independence. See *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, points 301, 312.

<sup>211</sup> Swedish Ambassador Pierre Schori, on behalf of the European Union, UN Security Council: Open Debate on East Timor, accessed in January 2007 at [http://www.swedenabroad.com/Page\\_\\_\\_\\_\\_13077.aspx](http://www.swedenabroad.com/Page_____13077.aspx)

<sup>212</sup> United Nations Transitional Administration in East Timor, East Timor Transitional Government and the World Bank, *Background Paper for Donors Meeting on East Timor*, Oslo, Dec 2001.



mission was slow to put people in positions of authority, hiring them only as drivers, guards or interpreters”, though it also argued that the UN had begun to correct this problem.<sup>213</sup> Even after East Timor gained independence in May 2002 the World Bank was still lamenting, “National staff have been largely engaged in routine tasks rather than in a supervisory capacity. These constraints have come to the fore as the UN mission has wound down and expatriate personnel departed.”<sup>214</sup>

International officials in East Timor did have a choice about whether to consult genuinely, and some of them did make it a priority. For every voice claiming, as cited earlier in this chapter, that Timorisation was just superficial, there were examples of genuine Timorese consultation and decision-making. A UN-World Bank report in mid-2000, for example, suggested the Timorese leadership had gained a strong enough voice to overturn previous salary scale recommendations for civil servants, opting in favour of temporarily high salaries and fewer junior staff while awaiting clearer budgetary information.<sup>215</sup> Though overall responsibility for policing East Timor remained with UNTAET’s international civilian police force until independence, the Chief of East Timor’s Police in May 2001 expressed satisfaction with the UN’s level of consultation with representatives of political parties, youth groups and the CNRT over the shape of the future police force.<sup>216</sup> A government review of capacity building in 2001 noted that “Some international staff ...build in methods of participation and consultation... In other cases the consultation and participation is token.”<sup>217</sup>

Since some Timor-based international officials chose not to genuinely devolve responsibility to local officials, was this because of conflicting priorities? The head of one international NGO noted that UNTAET mentors sometimes prioritized office tasks and forgot their mentoring role. When their office had urgent tasks, mentors sometimes took over these tasks, fearing that devolving the task to Timorese staff and then teaching them would take too long.<sup>218</sup> An UNTAET review simply noted that, in

---

<sup>213</sup> ‘Lessons for Nation builders’, *New York Times* editorial, 7 Feb 2002.

<sup>214</sup> “Program Appraisal Document for a Proposed Post Conflict Grant in the Amount of US \$ 5 million to the Democratic Republic of East Timor for a Transition Support Program,(report no. 24532-TP),” Dili : World Bank, 22 July 2002, p.25.

<sup>215</sup> World Bank and UNTAET, *Background Paper for Donors Meeting on East Timor*, Lisbon, Portugal, 21-23 June 2000 (final draft), p.15, point 51.

<sup>216</sup> Paulo Martins, in Da Silva, G., “Polisi Timor Loro Sa’e Perlu Pendidikan Ham’, *Talitakum*, 7 May 2001, p.28.

<sup>217</sup> *Capacity development for governance and public sector management: program overview*, Dili: East Timor Transitional Administration’s NPDA with UNDP support, August 2001, p.15.

<sup>218</sup> Clark, K., in unpublished interview with study author, 14-11-2002.

addition to institution building tasks, many international staff had, “Been tasked with management responsibilities”.<sup>219</sup> A World Bank discussion paper in 2002 noted that the government sectors that had made the least progress in building strong levels of management capacity were those which initially prioritised achieving physical reconstruction targets.<sup>220</sup> This similarly suggests internationals in some offices were too busy achieving the offices’ reconstruction targets to embark upon the time consuming process of devolving decision-making to locals.

Another reason for poor consultation applied more to international organizations like donors and the World Bank than to the UN. These organizations were accused of occasionally blocking Timorese initiatives and ideas because they did not want to hear views that opposed their small-government, free market ideology. One observer argued that the World Bank program was, “The World Bank’s way of preparing people for the free market, for privatisation of state facilities and an end to subsidies.”<sup>221</sup> One aid review team in 2001 was more specific, finding in 2001 that the World Bank had, “Blocked proposals by East Timorese administrators and UNTAET for public facilities such as a public grain silo and public abattoirs, insisting that all potential revenue-generating projects must be privatised.”<sup>222</sup> Similarly a local research NGO argued that decision-makers for the World Bank’s Trust Fund (TFET), “Failed to ask for public views, accepting input from civil or political society only in reaction to pressure.” This they linked to a hidden agenda of the World Bank and IMF who had elsewhere tried to, “Influence other countries’ development strategies through similar budgetary funds, so-called Poverty Reduction Strategy Papers (PRSPs), or other means... Instead of improving conditions for the poor, the Bank’s policies improve conditions for transnational corporations, investors and banks based in wealthy countries.”<sup>223</sup> Perhaps there were some types of decisions over which the World Bank wanted to retain control.

---

<sup>219</sup> *Capacity Development for Governance and Public Sector Management: Strategic Management Framework*, Dili: National Planning and Development Agency with support from UNDP, March 2001 (draft), p.5.

<sup>220</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, p.iii. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>221</sup> Mansour Fakih, ‘Born in the wrong era’, *Inside Indonesia*, Jul - Sept 2002, accessed 8 Aug 2006 at <http://www.insideindonesia.org/>

<sup>222</sup> Anderson, T., ‘The World Bank in East Timor’, Aidwatch Briefing Note, June 2001. Accessed December 2002 at <http://members.pcug.org.au/~wildwood/01julwb.htm>

<sup>223</sup> East Timor Faces Post-UNTAET Challenges: What is to be done? *The La'o Hamutuk Bulletin*, Vol. 3, No. 4: May 2002

Like the World Bank, donors expressed strong views about the size and economic policies of the new Timorese government. When meeting government and UN representatives in June 2001, the donors, “Commented on the need to balance the roles of the public and private sectors, and to foster private sector growth as the basis for sound and sustainable economic development.”<sup>224</sup> In another donors’ meeting just days before independence, they were still calling for strong discipline on expenditures and for private enterprise solutions, including, “The importance of accelerating the government’s commitment to cost-recovery in the power sector and legislation to foster private sector growth.” However, in fairness to donors, they had not stopped the incoming Fretilin government from framing a budget that had, they noted, “One of the highest allocations to social sectors in the world.”<sup>225</sup> Perhaps only on some occasions and with some government departments did donors and International Financial Institutions’ ideological priorities override their willingness to genuinely consult.

Some internationals may have prioritized retaining their own job ahead of devolving power to Timorese. The head of one local NGO argued that managers of government departments may not have wanted skilled capacity builders as they may not have wanted quick devolution of power. After all, he argued, “Many of the foreign personnel...had also a strong incentive not to speed up local participation and thus do themselves out of a job...The high levels of UN salaries means that there can be an enormous difference between what a person would earn in many of the poorer UN members states...and what they can earn if they are lucky to obtain a UN mission-based contract.”<sup>226</sup> Another foreigner felt this selfishness applied to aid workers in general, observing, “A reluctance on the part of some aid organisations to get on with the business of involving local staff in the running of the organization”, and attributing this reluctance to, “Fears among paid staff that they would work themselves out of a job.”<sup>227</sup> Even CNRT leader Xanana Gusmão suspected selfish motives for lack of devolution of power. In December 2000, he argued for appointment not only of

<sup>224</sup> ‘East Timor Moves From Emergency Reconstruction To Development Mode’, CANBERRA, 15 June 2001, accessed in March 2005 at <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20016633~menu PK:34466~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

<sup>225</sup> Donors Applaud East Timor’s National Development Plan , Dili, 15 May 2002, accessed in March 2005 at <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20045490~ menu PK:34466~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

<sup>226</sup> Federer, J., *The UN in East Timor: Building Timor Leste, a Fragile State*, Charles Darwin University Press, 2005, p.86.

<sup>227</sup> Woodcroft Lee, T., “Debates on East Timor Society and Economy”, published 12 May 2001 on Aidwatch website, accessed December 2002 at <http://members.canb.auug.org.au/~wildwood/01maydebates.htm>

Timorese ministers but also of Timorese Director-Generals or Heads of Departments, adding, “If this is not to happen we will be convinced that the extension of UNTAET’s mandate only aims at benefiting the international staff who are handsomely paid in East Timor.”<sup>228</sup> At times, some people clearly felt selfish job retention was prioritized ahead of devolution of decision-making opportunities.

Countless reports show that language was also a barrier to consultation and devolution of authority. This language barrier meant ideas could not always be clearly expressed or understood during consultation. It also affected the quality of Timorese ideas since Timorese needed information in order to have useful things to say when consulted and to make sensible decisions, yet too often the required information was only in English.<sup>229</sup> Most Timorese were severely limited if information access and subsequent consultations were through the medium of foreign languages.

This language problem was also partly caused by low prioritization of institution-building. In the previous section of this chapter we saw that whole institutions were reluctant to prioritise language skills when recruiting international advisers. Nor were many internationals willing to learn local languages. One local NGO head singled out Portuguese as especially reluctant to learn or speak a local language.<sup>230</sup> Others ascribed this reluctance to international staff in general.<sup>231</sup> If institution building had been a higher priority to internationals and their organizations, more internationals would have studied the language, their organizations would have focused more on local language skills in their recruitment, and more information would have been translated to local languages so Timorese could make well informed decisions.

The devolution of decision-making authority to Timorese was hampered by the quality of Timorese applying for senior government positions. This low quality of applicants was partly the fault of the Timorese themselves, for well-qualified applicants knew that after independence the dominant Timorese political party would reject them for senior positions if their political allegiances were deemed questionable. One senior civil

---

<sup>228</sup> “Xanana Gusmão: The right to live in peace and harmony”, *The Guardian* January 31, 2001. Accessed January 2008 at <http://www.cpa.org.au/garchve3/1031xan.html>

<sup>229</sup> Clark, K., in unpublished interview with study author, 14-11-2002.

<sup>230</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a fragile state*, Charles Darwin University Press, 2005., p.87.

<sup>231</sup> Woodcroft Lee, T., “Debates on East Timor Society and Economy”, published 12 May 2001 on Aidwatch website, accessed December 2002 at <http://members.canb.auug.org.au/~wildwood/01maydebates.htm>

servant explained to the study author in mid 2001 that some well-qualified Timorese did not want to leave their NGO job or mid-level government job and take up a senior government job that might be taken away from them after the Fretilin party won the upcoming August 2001 elections. A number of East Timorese had held senior positions in the Liquiça district administration under the Indonesian Government but did not apply for senior positions during UNTAET times. It was said they were disappointed that two Fretilin party members had been chosen by Fretilin in 2001 to fill the top two jobs (and both women at that !). The result was some district department head positions were left to locals who had relatively little experience and the experienced ex-government officials remained unemployed, leading local criticism of the Dili-appointed chief administrator and her deputy.<sup>232</sup> It was therefore not just internationals' priorities but also locals' priorities that affected the speed of devolution of decision-making authority to Timorese.

The poor quality of Timorese applicants for senior government positions was not just due to local political squabbling but also due to the decisions of international institutions. By announcing plans to hand over power by May 2002 (originally the plan was to hand over even earlier!), UNTAET discouraged many experienced administrators from applying for senior positions. This was because, as mentioned above, these administrators feared they would too quickly be replaced by political appointments. In contrast, if UNTAET had retained power until 2004 or 2009 (ie. for a total of five or ten years, as some had originally proposed), experienced administrators would have known they'd have a reasonable period to get established in government before independence opened the door to political appointments. The result of UNTAET's announcement was that too few capable Timorese were recruited to decision-making positions during UNTAET's time, while after independence in May 2002, as one parliamentarian from the dominant party later admitted, senior government appointments were based not on ability but on previous contribution to the independence movement.<sup>233</sup> UNTAET prioritised a rapid exit instead of a long-term commitment that would have sped up devolution of decision-making power.

Finally, there were a number of reasons why the UN sometimes consulted too narrowly. This may have been because the UN prioritised the easy path ahead of what

---

<sup>232</sup> Study author's personal observations while working in Liquiça District Administration, 2002.

<sup>233</sup> Gisa Ximenes-Aleixo, Member of Parliament, 2002-2007, in unpublished interview with study author on 25 July 2005.

was best for building Timor's government. The main East Timor network of women's interests NGOs suggested UNTAET was taking the easy path in focusing its consultations mainly on diaspora Timorese. Their spokeswoman in December 2000 urged UNTAET to consult more widely.<sup>234</sup> The head of one local NGO similarly felt UNTAET should have consulted with student groups, local NGOs and other groups beyond the Portuguese speaking elites but chose not to due to language and cultural barriers and because getting a wider variety of opinions would have slowed down decision-making.<sup>235</sup> It is conceivable that UNTAET's choice to consult mainly Dili-based Timorese, which led to a focus on institution building in Dili and to a legal framework supporting strong central control, was because geographically wider consultation would simply have been more time consuming. Prioritising the easy path ahead of consulting with a wider cross-section of Timorese meant, according to some observers, adoption of policies that did not reflect the popular will.

The choice of the abovementioned five Timorese Cabinet members prior to the Constituent Assembly elections seems particularly indicative of UN prioritization of 'the easy path' ahead of long term institution building. Not only did it favour diaspora Timorese but it missed an opportunity to give valuable political and decision-making experience. The five particular choices further suggest this power-sharing was aimed less at providing Cabinet experience and more at choosing Timorese who presented no language or cultural hurdles to UNTAET. Two of the five Timorese Cabinet members were unlikely to ever become ministers in the post-independence period (one was a priest who was committed to leaving the government by independence; the other, having fought alongside the Indonesians in their 1975 invasion of East Timor, was unlikely to ever have enough popular support to gain a ministerial post). The other three Timorese – Mari Alkatiri, Ana Pessoa and Jose Ramos Horta - all had plenty of political and decision-making experience already compared to other Timorese. If UNTAET had really prioritized institution building, perhaps it would have chosen, in its pre-election Cabinet, some Timorese who would be likely to benefit a lot from the experience.

In conclusion, lack of consultation and delayed devolution of decision-making authority hindered institution building in some areas of government more than others.

---

<sup>234</sup> Submission of Rede Feto Women's Network to Donors' Meeting in Brussels, Dec 2000.

<sup>235</sup> Federer, J., *The UN in East Timor: Building Timor Leste, a fragile state*, Charles Darwin University Press, 2005, pp.82-83.

These problems often occurred because institution building conflicted with other international priorities in New York, like administrative expediency for DPKO and DPKO out-maneuvering a rival UN department. These problems also occurred because institution building conflicted with other international priorities in East Timor, like achieving the reconstruction targets ahead of institution building targets, retaining a lucrative UN job, promoting free market ideology, recruiting non-language skills for UNTAET ahead of language skills, rapidly down-scaling the UN mission and consequently allowing unelected Timorese to make political appointments to senior positions, luring potential senior government officials away to jobs in international organizations, and ‘the easy path’ of consulting mainly with Dili-based Timorese who could speak English.

## **Ineffective practice number 4 :**

### **International organizations, though trying to teach East Timorese about government, set a bad example in terms of bureaucracy, economic waste, authoritarianism and lack of transparency**

In Chapter 1 above, one of the lessons for program planners and implementers was the need for aid agencies to increase their accountability (both to locals and the international community) through improved monitoring and transparency. Three other areas through which to increase accountability are addressing bureaucracy, authoritarianism and economic waste. The UN mission in East Timor did not set a good example to the Timorese in these areas.

#### **Bureaucracy**

Problems with the UN's bureaucratisation appeared early. In 2000, Xanana Gusmão complained that UNTAET itself used, "Heavy decision-making and project implementation mechanisms" and that the Timorese did not wish to inherit these.<sup>236</sup> A UN review itself noted that UNTAET faced, "enormous bureaucratic ... obstacles" in the early months. Even after this, "UNTAET's assumption of civilian responsibilities remained slow and cumbersome," partly because, "Some parts of UNTAET were designed to administer the mission itself (e.g., the procurement section), whereas others were established to perform the immediate tasks of government."<sup>237</sup> UNTAET head Sérgio Vieira de Mello admitted in mid 2000 that, "The mission's needs had highlighted weakness in the UN administrative practices that must be altered", including UNTAET's inability, "To use its budget as flexibly as necessary".<sup>238</sup> Problems remained in March 2001, with one UNTAET review noting that, "A prevailing perception is that the overall UNTAET/ETTA system is overly bureaucratic,

---

<sup>236</sup> Xanana Gusmão in Dodd, M., 'Gusmão gives UN team a serve: 'We don't want a legacy of cars'' *Sydney Morning Herald*, 10 Oct 2000, p.11. [also found in Dec 2006 at <http://etan.org/et2000c/october/1-8/10gusm.htm>].

<sup>237</sup> *A Review of Peace Operations : A Case for Change - East Timor Study*, points 43, 163, 166.

<sup>238</sup> De Mello (UN, Press Release SC/6882, 27-6-2000) in "Transition, half way to independence", East Timor Observatory, 6 November 2000, Ref.: GOV01- 06/11/2000eng; accessed March 2005 at <http://members.tip.net.au/~wildwood/NovTrans.htm>



with overly centralized decision-making, causing bottlenecks and delays”.<sup>239</sup> As late as 2002, one writer noted that East Timorese people’s only role models were, “A lackadaisical Portuguese administration, a corrupt and bloated Indonesian bureaucracy, followed by a process-obsessed and expensive UN technocracy.” He summarised the impact of the UN’s and previous administrations’ examples by quoting one young Timorese official in the new government: “We’ve certainly seen how not to do it.”<sup>240</sup>

## **Economic waste**

UN staff similarly set a bad example in terms of wastefulness. The average UN salary was almost \$90 000 per year, 300 times the average local earnings, and air operations alone (mostly helicopter trips between bases) cost \$ 160 000 per day. One visitor to East Timor wrote that, continuing this pattern of lavish expenditure, the UN was characterized by powerful four-wheel drives, some of which never traveled on rough roads, many with only one occupant. UN offices seemed to have, “All items imported, icy-cold air conditioning, and plentiful bottled water. This water was all imported and cost \$ 4 million in 2000 yet if the local bottled water company had been given the UN contract, 1000 local jobs could have been created.”<sup>241</sup> Others noted dis-spiriting contrasts like, “Air-conditioned Range Rovers roaring past dirt poor households... or the sight of a young UN worker thundering down the streets on an imported Harley-Davidson motorbike, earning in one year more than a Timorese family might hope to see in a lifetime.”<sup>242</sup> Timorese officials and diplomats calculated that at least half of the money provided for institution building was spent on development consultants’ salaries and other overhead costs. The consultants were not always effective either, since, as Australian economist Hal Hill observed, they included, “A lot of crazy people around with all sorts of crazy ideas who were on this UN gravy train.”<sup>243</sup> Timorese were not shown an example of prudent government spending.

---

<sup>239</sup> Capacity Development for Governance and Public Sector Management: Strategic Management Framework, Dili: National Planning and Development Agency with support from UNDP, March 2001 (draft), p.5.

<sup>240</sup> Da Silva, W., Letter From East Timor, *The Nation* (U.S.), 15 July 2002.

<sup>241</sup> Gabrielson, C., “First Impressions of the UN in East Timor,” p.4, accessed in December 2003 at <http://www.etan.org/etanpdf/icwa/cg-04.pdf>

<sup>242</sup> Da Silva, W., Letter From East Timor, *The Nation* (U.S.), 15 July 2002.

<sup>243</sup> Donnan, S., ‘Dili dilemma: how blunders in building a nation are being brutally laid bare’, *Financial Times*. London (UK): Jun 12, 2006, p.17.

## Authoritarianism

The structure of UNTAET, headed by a UN Special Representative with executive power, presented Timorese with an example of authoritarianism rather than democracy. As one local NGO noted, “Though a National Consultative Council (NCC), then National Council (NC) were created to give the appearance of power transfer, they were only places for debate, with power still resting entirely with the Special Representative of the UN Secretary General (the SRSG). This lost opportunity not only deprived Timorese people of the chance to practice decision-making during the transition, but created an atmosphere of mistrust and disempowerment — a virtual occupation — which made it more difficult to develop a professional civil administration of Timor-Leste people.” The same NGO also noted that even members of the Timorese consultative bodies, the NCC and NC, were unelected.<sup>244</sup> A UN review similarly observed that once when the National Council rejected a draft regulation to set up commissions to canvass grass-roots opinion on constitutional issues, the regulation was then issued by the Transitional Administrator as a directive. Not only was this decision authoritarian but the content of the directive was also authoritarian since it set up commissions which the National Council felt would compete with the role of the soon-to-be-elected Constituent Assembly.<sup>245</sup> Summarising this problem, one local NGO noted all power residing in one man, the Special Representative of the UN Secretary General, who answered only to one other man thousands of miles away in New York. “Consultation with East Timorese leaders or anyone else is solely at the SRSG’s discretion. Every law enacted during the Transitional Period begins “The SRSG ... promulgates the following...”<sup>246</sup>

Other signs of authoritarianism within UNTAET were its lack of a democratic mandate, its staffing make-up, and the immunity of its police from in-country prosecution. As one local NGO observed, “UNTAET is a government without a constitution... relying on a mandate issued by foreign diplomats on the other side of the world.”<sup>247</sup> Two months before independence, UNTAET had 7,687 total uniformed personnel, including 6,281 troops, 1,288 civilian police and 118 military observers, greatly outnumbering its mere 737 international civilian personnel and 1,745 local

<sup>244</sup> ‘UNMISSET Support for Public Administration,’ *La’o Hamutuk Bulletin*, Vol. 6, No. 3: August 2005.

<sup>245</sup> *A Review of Peace Operations: A Case for Change, East Timor*, point 317.

<sup>246</sup> East Timor Faces Post-UNTAET Challenges: What is to be done? *The La’o Hamutuk Bulletin*, Vol. 3, No. 4: May 2002.

<sup>247</sup> *Ibid.*

civilian staff.<sup>248</sup> One local NGO similarly observed, “With five times as many military and police as civilian personnel, UNTAET is perhaps the most security-weighted government in the world.”<sup>249</sup> Finally, one review noted that UNPOL officers in peace operations enjoyed immunity from prosecution in the host country. This, it noted, “Is always controversial and is even more so in situations where the UN peace operation performs executive functions”, as in East Timor, because, “Their credibility and effectiveness suffer if they are above the law.”<sup>250</sup> One UNTAET insider noted that this immunity from prosecution applied to all international UN staff, giving the UN in East Timor a level of authority like, “A pre-constitutional monarch in a sovereign kingdom.”<sup>251</sup>

In some ways UNTAET set a good example. When the INTERFET peacekeeping mandate ended in February 2000, the new UN peacekeepers came under control of UNTAET’s civilian head. As East Timorese had not seen a military that was subordinate to civilian authority in Indonesian times, this was a concrete example of how East Timor’s future military was expected to subordinate itself to its future civilian government.<sup>252</sup> UNTAET respected human rights, including the right to peacefully assemble and to freedom of speech.

UNTAET’s authoritarianism, together with even more pronounced authoritarianism in East Timor during the periods of Portuguese and Indonesian rule, meant that the Timorese had never seen a properly functioning model of democracy. A member of the first Parliament later reflected that decision-making was being bottle-necked by many senior officials’ desire to first ask the Prime Minister’s opinion. She felt this was a continuation of the pre-1999 fear of making decisions without Indonesian national government approval : “In the past we waited for Jakarta’s approval; now we wait for Mari’s approval”.<sup>253</sup> The UNTAET administration should have broken this habit of centralized authority and should have had more democratic input into its mandate but it did not.

---

<sup>248</sup> “East Timor: UNTAET Facts and Figures”, <http://www.un.org/peace/etimor/UntaetF.htm>, accessed 20 September 2007.

<sup>249</sup> East Timor Faces Post-UNTAET Challenges: What is to be done? *The La'o Hamutuk Bulletin*, Vol. 3, No. 4: May 2002.

<sup>250</sup> *A Review of Peace Operations: A Case for Change, East Timor*, point 83.

<sup>251</sup> Chopra, J., ‘The UN Kingdom of East Timor,’ *Survival*, Vol.42, No.3, 2000, p.29, found in December 2006 at [http://www.watsoninstitute.org/pubs\\_news/kingdom.pdf](http://www.watsoninstitute.org/pubs_news/kingdom.pdf)

<sup>252</sup> Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, p.68.

<sup>253</sup> Gisa Ximenes Aleixo, Member of Parliament 2002-2007, in unpublished interview with study author on 25 July 2005.

## Lack of transparency

The UN's transparency was also questioned. One international living in East Timor wrote, "Everyone I know who has contact with the UN has had trouble getting information from UN offices.... In 2000 a confidential memo leaked that expressly forbade any internal memos, confidential or not, to be showed to non-UNTAET staff."

<sup>254</sup> The World Bank may have had similar concerns. More than a year after the UNTAET mission started, it observed a need for, "Transparent and accessible financial and physical reporting."<sup>255</sup> As late as one month before independence, the World Bank was still advising that the government system lacked, "A detailed listing of external financing agreements" and of income from oil and gas.<sup>256</sup> The World Bank also found that in the transport sector, both its own project management units and the government offices they worked with lacked accountability.<sup>257</sup> Another example of UNTAET's lack of transparency was its failure to adequately explain the criteria for recruitment to the East Timor Defence Force (the FDTL). Applicants not selected felt that their contribution to the resistance had not been appreciated.<sup>258</sup> Finally, UNTAET was also criticized for setting a poor example in terms of transparent law enforcement.<sup>259</sup> This feebleness extended even to dealings with its own personnel. Some observers accused UNTAET of dealing inadequately with cases of sexual harassment, traffic violations and suspected corruption by certain international employees.<sup>260</sup>

Summarising these problems, a UN review conceded, "The challenges to establishing public communication systems were enormous and never fully overcome. UNTAET's ability to communicate with the public at large the nature of its mission, the substance

---

<sup>254</sup> Gabrielson, C., "First Impressions of the UN in East Timor," p.5, accessed in December 2003 at <http://www.etan.org/etanpdf/icwa/cg-04.pdf>

<sup>255</sup> World Bank Helps East Timor To Prepare For Independence,' News Release No:2001/139/EAP, Washington, December 1, 2000.

<sup>256</sup> World Bank, 'East Timor public administration public expenditure management and accountability note', the World Bank East Asia And Pacific Region: Poverty Reduction And Economic Management Sector Unit, April 2002, point 19, p.iv.

<sup>257</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, p.16. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>258</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 386.

<sup>259</sup> 'East Timor Faces Post-UNTAET Challenges: What is to be done?' *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

<sup>260</sup> Subianto, L.H., 'A State in the Making: International Actors in East Timor,' in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, pp.165-166.

of its programmes and the challenges it faced was limited, and this led to unrealistic and wrong expectations.”<sup>261</sup>

Other international organizations were also accused of occasionally setting a bad example in the abovementioned areas. Deploring international organizations’ wastefulness, local NGOs complained that they had to ‘beg from the international NGOs or UN agencies to get their share of the aid.’ They felt they would be less wasteful with money than the international agencies, who spent it on “cars, houses, hotel rooms (reportedly near US \$ 200 per night), imported food and beer, transportation in and out of the country.”<sup>262</sup> Noting international medical organizations unwillingness to travel to remote areas, local NGOs urged them to “focus on the training and equipping of [local] barefoot medical staff instead of focusing on their own (irregular) provision of health care.”<sup>263</sup> Many international organizations had, declared one observer, “Undemocratic or even anti-democratic structures and ... few mechanisms for transparency”.<sup>264</sup> The World Bank and AusAID came in for particular criticism over their accountability. One local NGO in 2007 argued that the Bank still had no proper mechanisms to be accountable to local people, only those to be accountable to the donors, and that though it produced a lot of documents, language problems and the use of jargon made them difficult for Timorese to access.<sup>265</sup> Others criticized the World Bank as a large, bureaucratic, international institution whose decision-making structure was far from democratic and transparent.<sup>266</sup> A 1997 report concluded, “AusAID’s public service hierarchical model should be replaced by team-based approaches and a more consultative, transparent and innovative management style.”<sup>267</sup> However, as late as December 2002 it was still being criticised in East Timor for its lack of transparency.<sup>268</sup>

Therefore, while UNTAET was not the only international organization to be criticized for setting a bad example, it was the organization most frequently criticized. One local

---

<sup>261</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, point 154.

<sup>262</sup> Working Group for Study and Examination, ‘From Scorched Earth Operation to Humanitarian Operation’, East Timor : Yayasan Hak, 10 January 2000, pp.1, 9, 11.

<sup>263</sup> Ibid, pp.1, 9, 11.

<sup>264</sup> Gabrielson, C., *Aid ?*, 1 July 2002, p.4, accessed July 2003 at <http://www.etan.org/etanpdf/icwa/cg-19.pdf>

<sup>265</sup> Neves, G.N., (researcher for the La'o Hamutuk Institute in Dili), ‘World Bank reconstruction role in Timor-Leste creating problems’, 31 January 2007, update 54. Accessed January 2008 at <http://www.brettonwoodsproject.org/art-549078>

<sup>266</sup> ‘The Community Empowerment Project Revisited’, *La’o Hamutuk Bulletin* Vol. 3, No.7, Oct 2002.

<sup>267</sup> ‘The Simons Report : Key Recommendations’, *Development Bulletin*, Vol.41, April 1997, p.6.

<sup>268</sup> ‘Analyzing Australian Assistance to East Timor’, *La’o Hamutuk Bulletin*, Vol. 3, No. 8, Dec 2002.

research NGO in May 2002 best summarised UNTAET's lack of accountability in the above areas. It wrote, "This temporary, benevolent autocracy follows decades and centuries of malevolent ones, and is a marked improvement. However, it failed to practice accountability, transparency or democracy, and gave East Timorese little chance to experience democratic society. UNTAET was characterized by centralized power, no freedom of information, [and] opaque decision-making processes."<sup>269</sup> Timorese felt their new government was not given a great example to follow.

### **Evidence that Ineffective practice number 4 stemmed from the conflicting priorities of international development institutions**

The above problems with inefficient bureaucracy and economic waste can be partly attributed to UN planners' unwillingness to change conventional UN structures and practices to suit their unusual new role as builders of a Timorese government. It was also shown earlier in this section that both Timorese and the UN itself knew the UN's bureaucratic procedures needed changing, but no change was made. One observer suggested a specific change: "Much money could have been saved and tensions and jealousies with locals greatly reduced", if UNTAET had been replaced by, "A strong regional membership, involving some ASEAN and South Pacific Forum members for example, in addition perhaps to Portugal and even Indonesia, operating expenses would have been significantly reduced....The personnel would also have been used to a more frugal operating style and lower wages than the UN employees."<sup>270</sup> We have also seen earlier in this section that both Timorese and the UN itself knew the UN's bureaucratic procedures needed changing, but no change was made. As Suhrke summarised, "Knowledge was not matched by changes in institutional structures and cultures at both the central UN level and in the mission."<sup>271</sup>

What conflicting priorities prevented UNTAET from addressing bureaucracy and economic waste? One reason for any lack of change may be bureaucrats' hunger' for

---

<sup>269</sup> East Timor Faces Post-UNTAET Challenges: What is to be done? *The La'o Hamutuk Bulletin*, Vol. 3, No. 4: May 2002.

<sup>270</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a fragile state*, Charles Darwin University Press, 2005, p.123.

<sup>271</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).

power. An UNTAET review thus noted the UN DPKO department's desire to minimize input from other organizations,<sup>272</sup> and Surhke observed that, "Awareness of correct technical solutions was often neutralized by fierce bureaucratic politics."<sup>273</sup> Another selfish reason may have been the existence of corrupt UN officials who paid inflated prices or otherwise spent wastefully so they could get a cut. For example, in 2006 a businessman admitted paying bribes to a former procurement official at the United Nations in return for contracts such as a \$36 million (€27.3 million) deal to provide radio communications systems to U.N. missions in East Timor, the Congo and elsewhere, and a three-year contract worth nearly \$8 million (€6 million) to provide information technology staffing support to U.N. missions worldwide.<sup>274</sup> A third reason for UN bureaucracy and economic waste may simply be that adapting systems to a new UN role takes time and initiative, and the UN had little of these. As one senior UN official conceded in 2002, "The waste has been phenomenal, the bureaucracy is at times unbelievable. There's so much more we could have done. But... you've got to understand, the UN has never done this before."<sup>275</sup> UN officials were either selfish or lacking in initiative, leaving in place UNTAET's inefficient bureaucracy and economic waste rather than prioritizing setting a good governance example.

The UN's authoritarianism can also be attributed to conflicting priorities. UNTAET kept power in the hands of one man, the Special Representative of the UN Secretary General, not because this structure provided a democratic model for new Timorese institutions but because this structure helped UNTAET achieve its other priorities. At the beginning of UNTAET, "The immediate priorities were to be security and law and order, the restoration of government services, the return of displaced persons and humanitarian assistance."<sup>276</sup> It is likely that the UN felt using an authoritarian model would more easily facilitate its security, direct service provision and humanitarian objectives than using a democratic model. After all, more democratic decision-making could have led to time-consuming political bargaining or even worse, could have inflamed conflict by unfairly favouring a particular local political clique before proper elections had been held. It could also have increased the profile of the East Timorese

---

<sup>272</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King's College London, 10 March 2003, point 20.

<sup>273</sup> Surhke, A., *Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor*

<sup>274</sup> 'Friend of U.N. official pleads guilty in New York bribery case', AP World Stream English, 21 Dec 2006.

<sup>275</sup> Da Silva, W., 'Letter From East Timor', *The Nation (U.S.)*, 15 July 2002.

<sup>276</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 292.

resistance within the UNTAET-led government, a move that could upset neighbouring Indonesia and lead to international diplomacy tensions as well as security tensions.<sup>277</sup> Another democratic move, reducing UNTAET's ratio of military to civilian personnel, would certainly have jeopardized UNTAET's security objectives. As one review noted, "Politically, for almost all the incoming UNTAET senior officials, East Timor was terra incognita, an unfamiliar political landscape full of potential pitfalls in which it was necessary to tread warily."<sup>278</sup> Therefore UNTAET prioritised political security ahead of modeling democracy.

Regarding UNTAET's lack of transparency, it is interesting that while many Timorese and internationals observed this problem, few analysed the reasons for it. The lack of transparency was probably motivated by dishonesty in some cases like those mentioned above, with corrupt UN officials attempting to hide their actions. Other cases can perhaps be attributable to UN staff taking the easy path ahead of the complications of translating materials. Some lack of transparency came in the form of whitewashing UNTAET's news - what Federer called 'a preoccupation with appearances' rather than genuine capacity building.<sup>279</sup> Timorese leader Mario Carrascalao similarly noted that, "With regard to the capacity building exercise, only statements had been made and nothing concrete had been achieved....UNTAET did not have a clear program."<sup>280</sup> Lack of transparency could thus be attributed sometimes to dishonesty, sometimes to simple laziness and lack of translators, and sometimes to officials' desires to attract praise and deflect criticism.

In conclusion, the UN's poor governance example in many areas was because the UN and individual UN officials had other priorities. Senior UN officials chose the easy path and avoided changing conventional UN structures and practices to suit the new context in East Timor, while other UN officials similarly favoured the easy path ahead of organizing translations of information. More deplorable was some selfish officials' selfish desire for power or corruption opportunities. Finally, the UN as an institution favoured humanitarian and security objectives, diplomacy with Indonesia, and 'a preoccupation with appearances' ahead of institution building.

---

<sup>277</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor.

<sup>278</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 296.

<sup>279</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a fragile state*, Charles Darwin University Press, 2005, p.91.

<sup>280</sup> Carrascalao quoted in, 'Mario Carrascalao: Untaet does not have a Timorisation Target', *Suara Timor Lorosae*, 17 April 2001, p.1.



## **Ineffective practice number 5 :**

**Systems often proved, as international assistance was reduced, to be unclear, ineffective or unsustainable.**

**Many pre-1999 structures, skills, and procedures could have been built upon but were instead ignored.**

In Chapter 1 part 1 of this study, ‘institutional capacity building’ is defined as practices which : “increase the quality or quantity of services an institution offers ..., or which increase the institution’s ability to survive long term, ...without being too reliant on donor funding, particular individuals or particular political, or economic conditions.” As such, it involves developing not just the attitudes and abilities of individual members of the target local institution but also developing the institution’s systems and the conduciveness of the local conditions in which it operates. UNTAET was mandated by the UN Security Council, “To support capacity-building for self-government.” While the mandate came with no definition of capacity building, it is clear that this involved more than just developing staff’s individual abilities. The mandate was based on the 4 October 1999 Report of the UN Secretary General, which envisaged as follows: “The Special Representative will have the power to enact new laws and ...the Transitional Administration will be entrusted with rebuilding a structure of governance and administration.”<sup>281</sup> This section argues that UNTAET was ineffective in many of its efforts to develop appropriate systems – like procedures, structures, and policies - for the Timorese Government-in-waiting.

Even the UN acknowledged that systems development for government institutions was imperfect. One 2001 UNTAET review cautioned, “First world solutions in some cases are being imposed on particularly tough third world conditions....Policies, procedures, systems and so on must be designed and adapted in the most simple and basic form possible.”<sup>282</sup> After independence, another UNTAET review noted, “East Timorese and UN interlocutors broadly state that ...fundamental regulatory frameworks (legislation,

---

<sup>281</sup> *Report of the Secretary General on the Situation of East Timor (S/1999/1024)*, Report to the Security Council 4 Oct. 1999, p.8.

<sup>282</sup> *Capacity Building for Governance and Public Sector Management, Program Overview*, East Timor : National Planning and Development Agency, with support from UNDP, August 2001, p.16.

policies and guidelines) for public administration have not been consistently established; basic office systems (from paper flows to departmental records management and retrieval) and management processes have been poorly developed; the business systems (e.g., computers and Internet access for the districts) that were put in place were unsustainable; and some important public administration functions were not developed (e.g., civilian oversight for the police and the military) or were not transferred from UNTAET to the East Timorese administration at independence.”<sup>283</sup> Clearly UNTAET was ineffective in many of its efforts to develop appropriate systems. This section will first examine systems that were unclear, ineffective or unsustainable in particular institutions, then examine problems evident across a number of institutions or government departments.

The procedures and structures that were perhaps the most inappropriate occurred in the establishment of the Timor Leste police force, PNTL. As one International think tank reported, UN control over recruitment into the Timorese police force led to the appointment of many police who had previously worked for the Indonesian administration and this caused resentment among recently demobilized resistance fighters, especially those unable to find employment.<sup>284</sup> A Timorese minister during UNTAET times recalled that, “More than 100 Indonesian agents and officers, some of which had a very bad service record,” were recruited by UNTAET and that this led to a division within the police force between these people and pro-independence recruits. She felt the police force, “Was structured to fall apart in the moment of the first crisis.”<sup>285</sup> A Timorese minister during UNTAET times noted a second institution-building mistake by the UN - that of involving advisers from 40 different nationalities in the building of the police force.<sup>286</sup> Similarly, one East Asia expert noted that, “A dozen countries sent police trainers to East Timor, each one teaching different techniques.”<sup>287</sup>

<sup>283</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 180.

<sup>284</sup> ‘Resolving Timor-Leste’s Crisis: Executive Summary and Recommendations’, International Crisis Group, Asia Report N° 120, 10 October 2006. Accessed in November 2006 at <http://www.crisisgroup.org/home/index.cfm?id=4438&l=2>

<sup>285</sup> ‘Interview with Ana Pessoa, Timor-Leste Minister of State and Public Administration,’ translated from Portuguese Expresso online, <<http://online.expresso.clix.pt/1pagina/artigo.asp?id=24761319>> with the help of Alexandre Leite. Published through From GreenLeft\_discussion list, 25.06.2006. Accessed in July 2006 at [http://groups.yahoo.com/group/GreenLeft\\_discussion/message/30741](http://groups.yahoo.com/group/GreenLeft_discussion/message/30741)

<sup>286</sup> ‘Interview with Ana Pessoa, Timor-Leste Minister of State and Public Administration,’ translated from Portuguese Expresso online, <<http://online.expresso.clix.pt/1pagina/artigo.asp?id=24761319>> with the help of Alexandre Leite. published through From GreenLeft\_discussion list, 25.06.2006. Accessed in July 2006 at [http://groups.yahoo.com/group/GreenLeft\\_discussion/message/30741](http://groups.yahoo.com/group/GreenLeft_discussion/message/30741)

<sup>287</sup> Eric John, quoted in ‘Australian intervention helped spare East Timorese continued chaos, official says,’ Associated Press release, 28 June 2006.

Prior to independence, UNTAET failed to set up important systems such as civilian oversight, administrative support and complaint mechanisms. In fact, a comprehensive development plan for the East Timorese police did not even exist until late 2001<sup>288</sup> Finally, one review noted that the police force were handicapped by problems with other systems like the lack of a legal framework and functioning judicial system.<sup>289</sup> The disintegration of the police force in Dili during the 2006 political crisis seems further evidence that UN recruitment, structures and procedures were flawed.

Institution building in the Timorese defence force, FDTL, fared little better. One Australian warrant officer recalled that the flawed conversion of the Timorese resistance fighters into a regular army led to low morale and low capacity. “These people have come out of the jungle and ... the commanders have taken a selective group and let the others go, which has created very great resentment. Those who were chosen were given the most rudimentary training and then deployed to substandard conditions at Los Palos. Was it ever going to work? No.”<sup>290</sup> A further criticism was that, with no Defense Ministry created during UNTAET and with foreign military advisers still legally retaining many oversight tasks after independence in 2002, mechanisms for civilian oversight of FDTL were underdeveloped.<sup>291</sup>

Even governance structures at the national level had their detractors. Helen Hill noted that the National Parliament had too many members: 88 members to represent only around 800,000 people.<sup>292</sup> Others criticized the Parliament for having questionable legitimacy, its members having been democratically elected to write the nation’s constitution but not to form an ongoing parliament.<sup>293</sup> The Timorese had furthermore, adopted a dual leadership system, which instituted both a parliament and a president, the latter having nominal control over the armed forces and having the power to veto proposed legislation. In 2006, Aurel Croissant noted prophetically that this dual

---

<sup>288</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, points 88, 102.

<sup>289</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, point 84.

<sup>290</sup> Wayne McInnes, quoted in Paul Daley, ‘Betrayal by fire’, 6 June 2006. Accessed in December 2006 at <http://bulletin.ninemsn.com.au/bulletin/site/articleIDs/D5B6AEEEB251FC27CA25717A002BA708>

<sup>291</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King’s College London, 10 March 2003, point 117.

<sup>292</sup> Helen Hill, Dispelling the Myths of Timor, accessed 4 July 2006 at <http://www.asianlang.mq.edu.au/INL/timormyths.html>

This article was originally published in *Arena Magazine*, No. 62 (February-March 2003).

<sup>293</sup> Federer, J., *The UN in East Timor: Building Timor Leste, a fragile state*, Charles Darwin University Press, 2005, p.110.

leadership system was, “A recipe for political trouble”, and was already leading to, “The politicization of the security apparatus.”<sup>294</sup> Perhaps UNTAET could have encouraged a fuller discussion of the risks of having a bloated parliament with questionable legitimacy and power-sharing with a presidency.

The institution of local government suffered from a lack of decision-making power devolved to local government during UNTAET’s reign. East Timorese leader Xanana Gusmão had, as early as December 2000, called for debate on decentralization,<sup>295</sup> yet little was done by UNTAET. Indeed, some East Timorese activists noted, when another international organization had introduced a local governance project (the World Bank’s Community Empowerment Project) of the World Bank, UNTAET had fought hard to block its implementation.<sup>296</sup> The centralization of power in Dili was, argued Helen Hill, one of the greatest failures of Timor Leste’s reconstruction. Though democratically elected Timorese representatives declined the opportunity to enshrine mechanisms for local government in the 2002 Timor Leste constitution,<sup>297</sup> this idea of centralization of power had been introduced by UNTAET. What’s more, UNTAET retained this weak district administration system even though they felt it was unlikely to be the system that Timorese wanted in the long term. UNTAET explained to donors in 2001 that, “The current district administration system has evolved from the one first introduced at the start of UNTAET’s mandate. ...It is probable that a different format will be chosen by the new government of East Timor.”<sup>298</sup> The centralized governance system used by UNTAET may not have been the most suitable for East Timor.

People in the districts had numerous specific concerns about systems. For example, Liquiça people in 2002 felt that they had no say in the choice of the head of the government of their district. This led to less than 100 % cooperation by locals with the Dili-appointed head of Liquiça and led to anger with the central government, which later contributed to high levels of support in Liquiça district for the 2006

---

<sup>294</sup> Croissant, A., “International Interim Governments, Democratization, and Post-Conflict Peace-building: Lessons from Cambodia and East Timor”, *Strategic Insights*, Vol. V, Issue 1 (January 2006); accessed May 2008 at <http://www.ccc.nps.navy.mil/si/2006/Jan/croissantJan06.asp>

<sup>295</sup> “Xanana Gusmão: The right to live in peace and harmony”, *The Guardian* January 31, 2001. Accessed January 2008 at <http://www.cpa.org.au/garchve3/1031xan.html>

<sup>296</sup> A Popular Challenge To UNTAET’s Achievements, written by an unnamed group of East Timorese linked to RENETIL which includes Dr Lucas da Costa and Jose Antonio Neves. Accessed Sept 2003 at <http://members.pcug.org.au/~wildwood/01seppopular.htm>

<sup>297</sup> Hill, H.M., ‘Dispelling the Myths of Timor’, <http://www.asianlang.mq.edu.au/INL/timormyths.html>, accessed 4 July 2006.

<sup>298</sup> World Bank and UNTAET, *Background Paper for Donors’ meeting on East Timor*, Canberra, Australia, 14-15 June 2001, p.37.

destabilisation of the central government.<sup>299</sup> A 2005 report noted, “District courts in Oecussi, Baucau and Suai have virtually collapsed before they ever became fully functioning ... , resulting in a highly centralised system where most administration of justice is conducted from the capital, leaving justice even less accessible to the vast majority of the rural based population.” The report writers viewed this as the fault of earlier planners, who had, “Squandered... the important opportunity and challenge to win the confidence of the civilian population after decades of foreign rule.”<sup>300</sup>

More examples come from district governments like the Liquiça District Administration, where staff from the Office of District Affairs felt that many of the administrative systems they were taught under UNTAET (and which remained in place nearly a year after UNTAET’s withdrawal) were not as effective as those they used under the Indonesian occupation. For example, district officials in November 2002 recalled that in UN times, the central government negotiated and supervised all projects, with district officials playing only a coordinating role. Under this system, local tenderers were more frequently beaten for contracts by tenderers from Dili, partly because Dili contractors usually had better resources to get started and partly because Dili contractors had personal links with Dili government officials. This often meant fewer local people were employed by the Dili contractor, less of his money was spent locally, and he had less commitment to doing a good job. Moreover, if problems arose with a project, local people still complained to the local officials rather than going to Dili government officials. This contrasted with the system in Indonesian times, whereby the district government could, in most cases, tender contracts and choose and pay contractors itself, including paying money up front to contractors to help them get started. The work of the contractors was monitored by a project treasurer, the project supervisor and technical staff and 5 % of the agreed payment would be held for an agreed period after project completion to ensure no quality problems appeared during that period.<sup>301</sup> District officials seemed to dislike the centralized tendering system bequeathed by UNTAET.

---

<sup>299</sup> Study author’s observations as a capacity builder in Liquiça District Administration in 2002 and as an NGO worker visiting Timor Leste in 2006.

<sup>300</sup> Graydon, C, 2005. ‘Local justice systems in Timor-Leste: Washed up, or watch this space?’, Development Bulletin, no. 68, pp. 66-70. Accessed June 2006 at [http://devnet.anu.edu.au/GenderPacific/pdfs/09\\_gen\\_legal\\_graydon.pdf](http://devnet.anu.edu.au/GenderPacific/pdfs/09_gen_legal_graydon.pdf)

<sup>301</sup> Liquiça District Administration staff (Armando Soares, Renato Serrao, Claudino Mota and Augusto Perreira) in unpublished interview with study author, November 2002.

Other problems occurred due to UNTAET's disempowerment of village chiefs. In Indonesian times, heads of sub-villages, villages and sub-districts were responsible for recording wealth, births and deaths in their own areas and were paid by the local government for this work. Under the UN, births, deaths and marriages were recorded by staff from a district office who travelled regularly to the villages. The UN system broke down whenever vehicles broke down or staff or vehicles were unavailable, a problem that grew after independence when international mechanics were withdrawn and some district auto workshops were closed down. This system also meant local people had to travel to town at pre-arranged times to meet the record-taker (sometimes they walked many kilometres but the record-taker did not show up !) whereas when the record-taker was a local leader they could meet him any time.<sup>302</sup> Also, by giving this task to people in the main towns instead of the villages, the UN missed an opportunity to circulate government money in the villages, where economic activity was severely curtailed by a lack of cash circulation.

The Indonesian system also, according to Liquiça locals, better protected local natural resources than did the UNTAET system. In Indonesian times, the taking of local resources like timber and sand had to be consented to by the local village chief, who then had to record the amount taken and to report this to his government superiors. Both the chief and the district government received a share of the money from this sale and therefore made sure such natural resources were not stolen. Under the system introduced by UNTAET, any request to buy natural resources had to be negotiated directly with the central government in Dili.<sup>303</sup> This lack of incentive for local people to protect their natural resources, coupled with a lack of legal framework to prosecute those who stole certain types of resources, led to large scale stealing of certain natural resources (for example stealing of sand in Liquiça District).

More examples of inappropriate systems come from government infrastructure bodies that donors felt might one day be privatized: the Government Power Authority and the Water and Sanitation Board. Billing procedures organised for the Power Authority in 2001 were unlikely to be useful for the post-independence government. Bills were to be paid at UN civilian police offices, many of which would not exist after the UNTAET mission ended. Many private houses found themselves paying upwards of

---

<sup>302</sup> Liquiça District Administration staff (Armindo Soares, Renato Serrao, Claudino Mota and Augusto Perreira) in unpublished interview with study author, November 2002.

<sup>303</sup> Ibid, November 2002.

US \$ 50 monthly and one Catholic Seminary received a bill for US \$ 4000.<sup>304</sup> These procedures undermined the popularity of the service offered by the power authority and also wasted time that could have been used by staff and the paying public to learn more viable, longer lasting procedures. The Government in 2003 was more broadly critical, reflecting that from UNTAET it had, “Inherited a power sector that was technologically inadequate, with no serious means for cost recovery”.<sup>305</sup> The water supply and sanitation systems were generally effective. However, one group of local NGOs in 2001 observed that much of the money given to UNTAET and international NGOs to develop water and sanitation was spent on international expertise. They argued that local NGOs, supported by long term training in areas such as project planning and hydraulic theory, could use the funds more effectively. This would be, “Definitely more valuable than the short term benefits of a sophisticated project delivered with international expertise.”<sup>306</sup> The manager of one local NGO also complained that some international organizations paid local communities to do unskilled work on school toilets so when his own NGO offered no payment for similar tasks in nearby communities, locals refused to work.<sup>307</sup> Not all East Timor’s infrastructure systems were, upon independence, going to be easily maintained.

Many other government institutions were left with unsuitable or underdeveloped systems. The Government reflected in 2003 that its judicial system, “Had to be built, virtually from nothing” and, “In several areas, budgets were under-spent due to limited capacity and the somewhat complex procurement and other regulations, left behind by UNTAET.”<sup>308</sup> Helen Hill noted that, “Under UNTAET, public telephones were not repaired, nor public transport revived to its former strength, nor the Post Office.”<sup>309</sup>

With UNTAET’s departure, these problems were unlikely to be quickly addressed. The newly independent government started with a July 2002 – June 2003 budget of only

<sup>304</sup> Tim, “Masalah Listrik Menyusahkan Rakyat”, *Lian Maubere*, 24 Nov.2001, p.11

<sup>305</sup> “The Road Map (for the Implementation of NDP Programs)”, Final Draft, República Democrática de Timor-Leste, Dili, 15 April 2003, p.7. Accessed in December 2006 at <http://www.primeministerandcabinet.gov.tp/RoadMapComplete.pdf>

<sup>306</sup> “East Timorese National Water and Sanitation NGO Priorities and Recommendations”, Dili : Bia Hula Foundation, Probem, Hamoris Timor Oan, Forte, as presented to Canberra Donors’ Conference, June 2001, p.2.

<sup>307</sup> Antonio Amaral, Manager of HTO, in unpublished interview with study author, 14 October 2002.

<sup>308</sup> “The Road Map (for the Implementation of NDP Programs)”, Final Draft, República Democrática de Timor-Leste, Dili, 15 April 2003, p.7. Accessed in December 2006 at <http://www.primeministerandcabinet.gov.tp/RoadMapComplete.pdf>

<sup>309</sup> Helen Hill, Dispelling the Myths of Timor, accessed 4 July 2006 at <http://www.asianlang.mq.edu.au/INL/timormyths.html>

This article was originally published in *Arena Magazine*, No. 62 (February-March 2003).

USD \$ 77 million, USD \$ 30 million of which it needed to request from donors.<sup>310</sup>

While disbursement from the World Bank-administered TFET was roughly the same for the two-year periods immediately preceding and immediately following the 20 May 2002 handover to the new government,<sup>311</sup> the UN cut back from a peak of 994 adviser positions with the Government-in-waiting in July 2001 to just 233 by May 2002. As the UN Secretary admitted in May 2002, “A number of critical elements of the State will remain fragile at independence [and]... assistance from the international community will remain essential.”<sup>312</sup>

Besides system problems that were specific to one or two government institutions, there were some system problems – with equipment, procedures and internal structures - that were common across many government institutions. One example of unsustainable equipment and procedures was UNTAET’s choice of business systems, technology and operating costs, which a 2001 report conceded, “May be inappropriate to local requirements.” In particular, the report noted that the East Timorese administration was still heavily reliant on the UN for corporate services such as computer software and support, telecommunications, photocopying, registry and the movement of documents yet felt it may have been wise for different equipment and systems to be adopted by the government-in-waiting.<sup>313</sup> Similarly, one review criticized the use of Siemens computers by UNTAET’s Civil Registration office as a system that was difficult for locals to use and to maintain. It suggested the system should never have been adopted in the first place.<sup>314</sup> In April 2002, there was no integration of information systems between offices, linking the payments, payroll, personnel, procurement and asset management under a single on-line system.<sup>315</sup> A later review was more sweeping in its criticism: “UNTAET should have paid greater attention to installing the basic infrastructure required for a civil service to operate

---

<sup>310</sup> Editorial: ‘Financial Independence’, *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

<sup>311</sup> Expenditure in the June 2000 – May 2002 period was roughly USD 40 million, while a similar amount was disbursed from June 2002- May 2004. See *Trust Fund for East Timor (TFET), Report of the Trustee*, World Bank and Asian Development Bank, April 16, 2005, Annex 2.

<sup>312</sup> “Report of the Secretary General on the United Nations Transitional Administration in East Timor”, (Doc. S/2002/432), 17 April 2002, pp.16, 18.

<sup>313</sup> United Nations Transitional Administration in East Timor, East Timor Transitional Government and the World Bank, *Background Paper for Donors Meeting on East Timor*, Oslo, 11-12 December 2001.

<sup>314</sup> ‘East Timor Faces Post-UNTAET Challenges’, *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

<sup>315</sup> ‘Public expenditure management and East Timor Public administration Accountability note’, the World Bank East Asia And Pacific Region Poverty reduction and economic management sector unit, April 2002, p.61.



efficiently, including in such fundamental areas as regulatory and procedural frameworks, basic office systems and management processes.<sup>316</sup>

The study author also came to question the shift, from pre-1999 reliance on typewriters in district administrations, to computers. Since the electricity supply in districts in 2002 would frequently black out due to fuel shortages or equipment maintenance problems, computers would shut down and district administration staff would simply stop work for hours at a time, or even just go home early.<sup>317</sup> Typewriters or even hand-writing could have been used for at least some district administration tasks but there was no funding or advice from UNTAET for such ‘old fashioned’ procedures. This same problem of over-reliance on computers coupled with frequent electricity black-outs remained in 2005.<sup>318</sup>

Another system problem across many government institutions was a lack of attention paid to clarifying the level of authority required to make different decisions. A World Bank-backed mission in June 2000 noted, “The need for UNTAET to affirm more strongly its governmental authority and responsibilities,” including, “Clear delegation of management decision-making to line departments.”<sup>319</sup> Five months later, another study found that in addition to the unclear responsibilities and structure of the government overall, there was a need for clearer responsibilities and structure within each government department.<sup>320</sup> Timorese leader Xanana Gusmão similarly complained that UNTAET used, “Heavy decision-making ... mechanisms,” and expressed fear that the Timorese might inherit these.<sup>321</sup> This problem within departments does not seem to have been addressed. The study author, when working as a capacity builder with a district administration in 2002, was told that, though job descriptions did exist, many staff had no access to them (“maybe they’re in the files in Dili”) and could not remember the contents.<sup>322</sup> Similarly, a medium level official at the Land and Property Office, when interviewed in November 2002, had never seen his

---

<sup>316</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, point 391.

<sup>317</sup> Study author’s direct experiences while working with Liquiça District Administration in 2002.

<sup>318</sup> While visiting Manatuto District Administration in July 2005, the study author once again directly observed staff activity curtailed by an electricity black-out. He was told that electricity black-outs were still common in this and other districts.

<sup>319</sup> World Bank and UNTAET, “Background paper for Donors meeting in Lisbon”, 21-23 June 2000, p.8.

<sup>320</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, pp.97-98.

<sup>321</sup> Xanana Gusmão in Dodd, M., ‘Gusmão gives UN team a serve: ‘We don’t want a legacy of cars’, *Sydney Morning Herald*, 10 Oct 2000, p.11. [also accessed in Dec 2006 at <http://etan.org/et2000c/october/1-8/10gusm.htm>].

<sup>322</sup> Study author’s own experiences with Office of District Affairs staff in Liquiça District in early 2002.

job description.<sup>323</sup> These were not just isolated incidents. A 2001 review made a general observation that many offices had still not clarified lines of authority and the exact responsibilities of staff.<sup>324</sup>

There was also a lack of attention paid to clarifying rewards and punishments for civil servants. A report in November 2000 noted mechanisms were not yet in place, “To ensure transparency and integrity in the selection process” for staffing.<sup>325</sup> A donors’ meeting noted the need for a, “Review of civil service incentives and the development of an anti-corruption strategy,” to be held early in 2001.<sup>326</sup> Some planning may have been done on these incentives but over a year later guidelines for dismissal or promotion were still not in place and many civil servants across East Timor were arriving for work late, leaving work early and achieving very little in between.<sup>327</sup> The World Bank similarly noted in July 2002, “Anecdotal accounts of corruption [and] lax civil service discipline, as revealed by poor attendance.”<sup>328</sup> A Timorese employee with the Ministry of Justice, interviewed in November 2002, was not aware of any job description for his position or any other criteria by which his job performance could be monitored. He added that staff usually told each other if they had to leave the office but there was no formal procedure in his office for recording where they went.<sup>329</sup> The study writer similarly found, while working with the Office of District Administration in Liquiça in 2002, that local staff had not seen their own job descriptions, though such documents were believed to exist somewhere in Dili. Another system that was slow to be enforced across government offices were rules controlling use of government vehicles outside office hours. One journalist interviewed a number of East Timorese who had seen these vehicles used by officials for private purposes and felt this wasted government resources and undermined public respect for government officials.<sup>330</sup>

After independence in May 2002, the lack of government punishment of misuse of

---

<sup>323</sup> Vasco Soares, Land and Property Office, Ministry of Justice, in unpublished interview with study author on 25 Nov 2002.

<sup>324</sup> “Capacity Development for Governance and Public Sector Management: Program Overview”, Dili : NPDA with support from UNDP, Aug, 2001, p.37.

<sup>325</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, pp.97-98.

<sup>326</sup> UNTAET and World Bank, “Background Paper for Donors’ Meeting on East Timor, Brussels- Executive Summary”, 5 December 2000.

<sup>327</sup> Study author’s own experiences with Cabinet Secretariat and Liquiça District Administration and from personal accounts from co-workers in other districts.

<sup>328</sup> World Bank, “Program Appraisal Document for a Proposed Post Conflict Grant in the Amount of US \$ 5 million to the Democratic Republic of East Timor for a Transition Support Program, (report no. 24532-TP),” Dili, 22 July 2002.

<sup>329</sup> Vasco Soares, Land and Property Office, Ministry of Justice, in unpublished interview with study author on 25 Nov 2002.

<sup>330</sup> Reis, V., “Mobil Governu Tidak Jelas Fungsinya”, *Talitakum*, 24 Feb., 2002, p.16

government vehicles led youths to take matters into their own hands, resulting in numerous attacks on government vehicles which the youths deemed were being misused.<sup>331</sup> If UNTAET had bequeathed the new East Timor government with procedures for punishing and rewarding civil servants, these procedures were certainly not effective.

It is important to note that many systems introduced by UNTAET were regarded by locals as useful and some of these were retained after UNTAET's departure. For example, a group of government workers in one district applauded the widespread use of computers, stricter attitudes towards enforcing work hours and fighting corruption and nepotism, more focused meeting procedures and preparedness for natural disasters.<sup>332</sup> Certainly the use of computers was retained, and a worker in another government institution noted that many UNTAET directives were still being used and that many UNTAET procedures, including the filing system, had been retained in his office.<sup>333</sup> The tax software program introduced by UNTAET was retained by the Finance Minister after independence.<sup>334</sup> In some cases, procedures and policies could not be retained in the immediate post-independence period but exposure to these procedures and policies in UNTAET times was still valued, as an introduction to what might be possible at some point in the future.

Sometimes systems were unclear not because they lacked detail but because they were too new to be fully understood by locals. The steep learning curve for staff in the finance department was seen to, "Have been exacerbated by the fact that the systems are continually evolving."<sup>335</sup> In the Foreign Ministry, a Portuguese adviser established many procedures that were later changed by a Malaysian adviser. He also changed structures like the role of the bilateral affairs councilor and other positions.<sup>336</sup> An international filing system specialist changed the filing system in the Office of District Affairs, including the district administrations, in early 2002, only months before the handover from UNTAET. At the same time, some internationals were trying to

---

<sup>331</sup> Study author's own observations in 2002.

<sup>332</sup> Liquiça District Administration staff (Armando Soares, Renato Serrao, Claudino Mota and Augusto Perreira) in unpublished interview with study author, November 2002.

<sup>333</sup> Soares, V., Land and Property Office, Ministry of Justice, interviewed by study author on 25 Nov., 2002.

<sup>334</sup> Aleixo, A., CIDA Program Support Unit, in unpublished interview with study author, 25 July 2005.

<sup>335</sup> World Bank, 'East Timor public administration public expenditure management and accountability note', the World Bank East Asia And Pacific Region: Poverty Reduction And Economic Management Sector Unit, April 2002, p.58.

<sup>336</sup> Bendito Freitas, UNDP, in unpublished interview with study author, 20 November 2002.

introduce new meetings procedures like keeping to a written agenda and recording clear ‘action points’ for follow-up, to district administrations.<sup>337</sup> Even if the newly introduced procedures or structures were significantly better than previous ones, this still meant that much time had been largely wasted planning and teaching the old system. As one 2001 report predicted, “By the time of independence, most civil servants will have been in place for only six to twelve months [and] the systems and procedures they work with are necessarily new and fragile.”<sup>338</sup>

In summary, many inappropriate procedures, structures and policies were implemented by UNTAET in particular government institutions, while other inappropriate or unclear procedures, structures and policies were implemented across many government institutions. Some problems, such as UNTAET’s recruitment of Indonesian collaborators into the police force and UNTAET’s neglect of rural infrastructure, were difficult for the post-independence government to quickly correct. Where UNTAET used inappropriate or unclear systems, this hindered institution building.

### **Many pre-1999 structures, skills, and procedures could have been built upon but were instead ignored.**

We have seen that it was preferable to adopt, during the reconstruction, structures and procedures that would require little change after UNTAET’s withdrawal. Indeed, many argue it is generally best if the particular structures and procedures chosen are those that existed before international intervention. Certainly, the UN secretary shared this respect for existing systems, since he recommended in 1999 that the UNTAET mission should, “Operate on the principle of capacity building and maximal use of existing structures, institutions and human resources.”<sup>339</sup> One advantage of this was that East Timorese civil servants would already know how to work with these structures and procedures and would already have an understanding of which aspects were not suitable for their new government. On the other hand, perhaps there were some procedures and structures which, though more time consuming for East Timorese to adapt to, were still more effective than previous models. Now the study will examine

---

<sup>337</sup> Study author’s own experiences as a capacity builder in the Liquiça District administration in 2002.

<sup>338</sup> *Background Paper for Donors’ Meeting on East Timor*, UNTAET and World Bank, Canberra Donors’ Conference, 14-15 June 2001, pp.2-3

<sup>339</sup> ‘Report of the Secretary-General on the United Nations Transitional Administration in East Timor,’ Doc. S/1999/1024, 4 Oct 1999, p.8.

to what extent it was preferable to base the UNTAET administration's structures and procedures on those that East Timorese were already familiar with from pre-1999 times.

A number of pre-1999 coordination mechanisms, administrative procedures and planning approaches were respected by East Timorese but weren't retained by UNTAET. Examples of these were provided earlier in this section. In addition, a 2003 review found that UNTAET had paid insufficient attention to integrating customary legal structures into the new justice system.<sup>340</sup> Another pre-1999 coordination mechanism that was not fully utilized was the habits and infrastructure for telecommunication. In Indonesian times, district level officials were used to communicating with each other and Dili via a government-run telecommunication system linking all 13 administrative districts, but upon independence in 2002, UNTAET left the new government with telephones operating in only major cities.<sup>341</sup> However in fairness to UNTAET, other pre-1999 systems were retained. one example was the pre-1999 command structure of the police force, whereby a command centre was established in each district and a station in each sub-district, just as the Indonesian police had done.<sup>342</sup> While the political crisis of 2006 led many to question the ethnic composition of the East Timorese army, there was wide acceptance of the decision to draw upon the existing Falintil army, including most of its senior leaders, as the basis for the new army. Some indeed argued that more soldiers should have been recruited from FALINTIL and that the whole pre-existing army structure could even, "Potentially have been mobilised for reconstruction projects within the country."<sup>343</sup> Another structure from Indonesian times which people seemed happy to retain, at least through the UNTAET period, was the division of East Timor into 13 administrative districts, each comprised of several sub-districts.

The above two paragraphs suggest that some pre-1999 systems were worth keeping. However some pre-1999 procedures, it was generally agreed, needed to be changed. The habit of corruption, widespread in East Timor during Indonesian times, was one of these.<sup>344</sup> Corruption re-emerged as early as 2000. Damien Kingsbury observed World

---

<sup>340</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, points 253, 398.

<sup>341</sup> 'East Timor Faces Post-UNTAET Challenges: What is to be done?', *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

<sup>342</sup> 'Aparat kesehatan Distrik Maliana Usir Polisi', *Suara Timor Loro Sa'e*, 10 October 2002, pp.i-ii

<sup>343</sup> Everett, N., 'East Timor: Roots of the political crisis,' *Green Left Weekly*, June 28, 2006.

<sup>344</sup> Fernando, H., "Kesehatan Rakyat Dibawah Standar", *Talitakum*, 24 Feb.2002, p.25

Bank warnings that, “There could be elements of Indonesian-style corruption and nepotism... that had the potential to develop to the point of wrecking the emerging new state.” Examples of this were theft of UNTAET oil, local police collusion in smuggling, and the growing tendency to appoint people to jobs because of family connections rather than on ability.<sup>345</sup> To counter this practice, the World Bank ran anti-corruption workshops, UNTAET passed a regulation requiring cabinet members to declare their assets and business interests, and the Danish Trust Fund for Governance funded a local NGO to campaign for transparency and accountability.<sup>346</sup> By 2002, accusations of corruption and nepotism in the appointment of police had undermined public trust in this East Timorese institution.<sup>347</sup> In 2006, Charles Scheiner confirmed this pattern remained and similarly saw its roots in pre-1999 procedures.<sup>348</sup> UNTAET’s was right in not supporting these procedures but its success in changing them was clearly limited.

Other pre-1999 behaviours were also harmful to institution building and therefore not worth keeping. These grew from unhelpful attitudes to social status and to working for the government. Senior East Timorese government officials felt uncomfortable admonishing or giving orders to other East Timorese officials if the latter were of a higher social status. Even when staff were not of a higher social status there were problems motivating them to work. One report noted, “Employees do not feel a real need to be present at all times during working hours,” and, “When they are asked to work diligently at a specific task during working hours, it would appear they feel they are being asked to undertake too much work.” Furthermore, neither East Timorese supervisors nor staff would feel it was okay to terminate a civil servant’s employment for laziness, incompetence or any other reason. The same report maintained East Timorese were used to the exercise of political bias in the appointment of civil servants. This meant positions would not always be filled by the best applicant. It also led to unsuccessful applicants feeling discriminated against, even if this were not the case, and threatening any Timorese involved in the recruitment.<sup>349</sup> Threats were also

---

<sup>345</sup> Damien Kingsbury, ‘The new Timor: A Xanana republic ?’, *The Jakarta Post*, 16 December 2000.

<sup>346</sup> *East Timor: Policy Challenges for a New Nation*, World Bank, 2002, pp.115, 117-118.

<sup>347</sup> ‘Kasus Rekrut Polisi TL : Anggota PN Siap Tunjuk Bukti’, *Suara Timor Loro Sa’e*, 10 October 2002, pp.i-ii.

<sup>348</sup> Charles Scheiner, ‘Self-determination requires more than political independence: Recent developments in Timor-Leste,’ La’o Hamutuk presentation for the conference on International Law and the Question of Western Sahara, Institute of Social Studies, Den Haag, Netherlands, 27-28 October 2006. Accessed in November 2006 at <http://www.laohamutuk.org/reports/06SelfDeterminationSahara.htm>

<sup>349</sup> *Capacity Building for Governance and Public Sector Management, Appendix and Documents*, East Timor : National Planning and Development Agency, with support from UNDP, August 2001, pp.95-97.

made by East Timorese who were previously part of Falintil or the clandestine movement and who, after UNTAET's appropriation of power, were unable to find work.<sup>350</sup> Clearly, not all traditional ways of working and recruiting were worth retaining.

Some structures were also not worth retaining. The hierarchy of the Timorese resistance army had, in Indonesian times, been dominated by East Timorese from eastern ethnic groups. This, viewing in hindsight from the crisis of 2006, had the potential to create ethnic division. When UNTAET formed F-FDTL, the new official army of soon-to-be-independent East Timor, some effort was made to promote western East Timorese to address this balance. Presumably these efforts were thought sufficient since few reports around the time of independence identified ethnicity as a problem.<sup>351</sup> However one UNTAET official later recalled, the new army was still, "Seen as having been put together without adequate thought given to potential ethnic and political rivalries."<sup>352</sup> Mike Smith, a retired Australian major-general who was deputy commander of the UN peacekeeping force in East Timor, recalled in 2006 that the peacekeepers were never aware of any ethnic or regional divisions within the army.<sup>353</sup> One soldier of western ethnicity who was promoted was the English-speaking Alfredo Reinado, appointed a Major and given charge of the military police. Clearly even he felt that insufficient western East Timorese were being promoted, for in May 2006 he led 20 heavily armed military police to join rebelling but previously unarmed western East Timorese soldiers.<sup>354</sup> There has developed a consensus that East Timor's 2006 security forces crisis, "Partly stemmed from the senior leaders of the armed forces being chosen from the east of the country, while lower ranks came from the west, sparking claims of discrimination."<sup>355</sup> Aspects of the pre-1999 police structure also needed to be changed. Though there was much resentment of Timorese who had previously worked in the Indonesian police force to uphold integration, UNTAET pressed ahead with recruiting 370 of these into an original squad of 800 Timorese

<sup>350</sup> Candio, P., and Bleiker, R., "Peacebuilding in East Timor," *The Pacific Review*, Vol.14, No.1, 2001, pp.70, 72, 81.

<sup>351</sup> No mention of FDTL ethnic divisions is made in the key UN review document, *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King's College London, 10 March 2003.

<sup>352</sup> Neumann, A.L., 'Getting It Wrong In East Timor,' *Far Eastern Economic Review*, July/August 2006.

<sup>353</sup> Mason, W., 'Own goals' only in East Timor, *Australian Financial Review*, Monday, July 3, 2006.

<sup>354</sup> Niner, S., "Major Alfredo Alves Reinado: Cycles of torture, pain, violence," Austral Policy Forum, 18 February 2008, 08-02B - Revised 14 March 2008. Accessed Feb 2008 at <http://www.globalcollab.org/Nautilus/australia/apsnet/policy-forum/2008/niner-reinado/>

<sup>355</sup> 'East Timor's shaky foundations need long-term support', *South China Morning Post*, Saturday, June 10, 2006.

police working alongside UNPOL.<sup>356</sup> A former Timorese Minister of Justice recalled that some of the ex-Indonesian police recruited by UNTAET, “Had a very bad service record”, and had previously been torturers.<sup>357</sup> At least in hindsight, the ethnic composition of the pre-1999 military structure should have been more extensively altered, and fewer Timorese from the pre-1999 Indonesian police structure should have been recruited into the new Timorese police force.

There is general agreement with UNTAET’s move to reduce the heavy pre-1999 levels of staffing in East Timor’s civil service. However, there is debate about the extent of staff-cutting. Debate also remains over whether the strengths of the new structure, in terms of reduced government spending and increased productivity, outweighed the problems associated with this dramatic reshaping of the economy. During Indonesian rule some 33 000 people had been employed in the civil service. The Government’s expenditure, in the absence of growth in the mining, agricultural or manufacturing sector, grew to 20 % of East Timor’s GRP, making East Timor the most heavily subsidised province in Indonesia.<sup>358</sup> The Indonesian Government, and also the Fretilin Government that ruled much of the interior from 1976 to 1978, aimed to provide many free services like free basic education and health care to all East Timorese. In contrast, the World Bank-led assessment mission in November 1999 recommended reducing the civil service to 12, 203 people, less than half of its pre-1999 size,<sup>359</sup> and this target was still being adhered to at the time of independence.<sup>360</sup> The streamlined government being built by UNTAET had, at that time, support from most East Timorese leaders. Later however, many argued that a key factor contributing to the 2006 political crisis was unemployment, something which UNDP felt should be solved through increased government spending rather than relying too much on the private sector.<sup>361</sup>

<sup>356</sup> *A Review of Peace Operations: A Case for Change, East Timor, Conflict*, , points 74, 89, 98.

<sup>357</sup> ‘Interview with Ana Pessoa, Timor-Leste Minister of State and Public Administration,’ translated from Portuguese Expresso online, <<http://online.expresso.clix.pt/1pagina/artigo.asp?id=24761319>> with the help of Alexandre Leite. published through From GreenLeft\_discussion list, 25.06.2006. Accessed in July 2006 at [http://groups.yahoo.com/group/GreenLeft\\_discussion/message/30741](http://groups.yahoo.com/group/GreenLeft_discussion/message/30741)

<sup>358</sup> Hill, H., “Tiny, Poor and War Torn : Development Policy Challenges for East Timor’, *World Development*, vol.29, no. 7, 2001, p.11, 43.

<sup>359</sup> *Building a Nation : A Framework for Reconstruction and Development*, the Governance Background Paper, World Bank-led ‘Joint Assessment Mission’, November 1999, pp.1-2.

<sup>360</sup> The incoming government budgeted for just under 12000 civil servants in the 2002-2003 fiscal year. See World Bank, ‘Background Paper for Donors’ Meeting on East Timor’, Dili, 14-15 May 2002, p.9.

<sup>361</sup> For example, see Richard Curtain, ‘Crisis in Timor Leste: Looking Beyond The Surface Reality for Causes and Solutions,’ SSGM Working Papers number 2006/1, presented at the Australian National University, 27 July 2006, pp.6, 10. Accessed in Dec 2006 at [http://rspas.anu.edu.au/papers/melanesia/working\\_papers/06\\_01wp\\_Curtain.pdf](http://rspas.anu.edu.au/papers/melanesia/working_papers/06_01wp_Curtain.pdf)

See also, John Kerin, ‘Divide and Misrule’, Comment & Opinion, *Australian Financial Review*, Wednesday, June 14, 2006.



UNTAET's reduction of pre-1999 civil service staffing levels was necessary but perhaps need not have been so dramatic.

When it came to building private enterprise rather than government institutions, few international organizations made the mistake of ignoring pre-1999 structures, skills and procedures. For its Microfinance Development Project, the Asian Development Bank identified nine credit unions that had existed in East Timor during Indonesian times. Personnel from these credit unions were given training in accounting and various management and promotional strategies.<sup>362</sup> ADB's microfinance bank had served 1533 borrowers and opened two rural branch offices by March 2003.<sup>363</sup> USAID had set up Cooperativa Café Timor (CCT) in the mid-1990s and continued to fund this business initiative during the UNTAET period. CCT was a marketing cooperative that was set up to buy coffee from smaller producer cooperatives. Profits from sale of the coffee were shared among cooperative members and also used to fund collective services such as health care and training for farmers. CCT and its international advisory company, the National Cooperative Business Association of the USA, survived the devastation of 1999. With USAID support, their coffee marketing project was, by 2002, East Timor's largest private sector employer and main supplier of health services in rural areas.<sup>364</sup>

The World Bank's Pilot Agricultural Service Centre program, unlike the abovementioned USAID and ADB programs, required a significant break from many pre-1999 procedures and structures. The Bank observed that "Farmers in East Timor have operated in a culture where the government regulated agriculture, formed so-called 'co-operatives' and provided free or subsidized inputs... Changing farmers' mentality ...will require the vigilance and advice of key donors, including the IDA." The Bank's new vision for farmers was clear: "Agriculture, including agricultural inputs and value added processing and marketing, will be private sector driven, i.e. farmers and farmer groups. Government's role will be to create and implement a policy framework that rewards hard work and innovation."<sup>365</sup> With this aim, the World Bank guided donors' money into profit-making projects like the establishment

---

<sup>362</sup> 'TFET Update No.13,' World Bank, 22 Oct 2001, accessed Dec 2002 at [www.worldbank.eap](http://www.worldbank.eap).

<sup>363</sup> "The Microfinance Development Project", *Lao Hamutuk Bulletin*, Vol. 4, No. 1: March 2003.

<sup>364</sup> 'Focus on Coffee and East Timor, *Lao Hamutuk Bulletin*, Vol.3, Nos.2-3, April 2002, p.12;  
See also Cribb, R., "East Timor" in L.Daniel (ed.) *The Far East and Australasia 2002*, England : Europa Publications, 2001, p.409.

<sup>365</sup> *Project Appraisal Document on a Proposed TFET Grant for an Agriculture Rehabilitation Project*, World Bank, 14 June 2000, pp.8, 63-64.

of PASC centres, which provided agricultural services at profit-making rates to farmers. This met with resistance. One Timorese NGO also argued that the PASC project was influencing farmers to produce more cash crops and move away from traditional barter practices, even before they were adequately prepared for this change in terms of mass storage and transport infrastructure and in terms of risk orientation.<sup>366</sup> In 2006, the World Bank conceded that none of the three established Pilot Agricultural Service Centres had been able to make a profit and one was already in the process of liquidation. It attributed this failure to farmers being used to government subsidies on fuel, fertilizer, and rice, living outside the money economy and being unfamiliar with business principles under which the PASCs were expected to operate.<sup>367</sup> Unlike the World Bank's CEP program, its PASC program had been unsuccessful on all accounts.

Another World Bank initiative that also required radical change from pre-1999 procedures and structures was the Community Empowerment Program (CEP). This program, starting in March 2000, involved forming CEP Community Councils in each of East Timor's 442 villages and since these councils were never fully integrated into the government structure, this study will treat them as civil society structures. The program was similar to another, the Kecamatan Development Project, which had set up councils in many parts of Indonesia, including East Timor in 1998. However, while the KDP had aimed simply to give development funds directly to local councils to promote local control and transparency, the CEP program had the added aim of setting up new institutions, the CEP community councils. These councils, built alongside traditional community leadership structures, could be turned into local governments if desired after East Timor's independence in May 2002.<sup>368</sup> These councils were to introduce democracy, equality and accountability to communities that had had little previous exposure to such concepts.<sup>369</sup> Enormous change in village decision-making and financial transparency was being hoped for in the space of just a few years. The World

---

<sup>366</sup> An Assessment of Pilot Agricultural Service Centers in East Timor', *La'o Hamutuk Bulletin*, Vol. 3, No. 1, February 2002.

<sup>367</sup> World Bank, 'Timor-Leste Project performance assessment report', Report no. 36590, World Bank Sector, thematic and global evaluation division : Independent evaluation group, June 27, 2006, pp22, 24.

<sup>368</sup> "The Community Empowerment Project Revisited", *La'o Hamutuk Bulletin* Vol. 3, No.7, October 2002; for further comments on hope for independent Timor adapting CEP councils to become local governments, see Rodriguez, N., 'CEP Dibangun untuk melenkapi Struktur Lain', *Talitakum*, 7 May 2001, p.30

<sup>369</sup> "The Community Empowerment Project Revisited", *La'o Hamutuk Bulletin* Vol. 3, No.7, Oct 2002.

Bank acknowledged its aim was nothing less than the creation of, “A new social system”<sup>370</sup>

The CEP program had mixed success in introducing a new structure and procedures for fund dispersal. One investigation in late 2002 concluded that though the CEP councils had been reasonably effective in getting infrastructure built, they still had problems with transparency in expenditure, with the low number of locals participating in council elections and with achieving empowerment of women.<sup>371</sup> The CEP’s contribution to understandings of democracy and gender equality remain open to debate. One journalist observed just three days before independence that, “Hundreds of village development councils have been elected across East Timor, in which women and men have equal representation.”<sup>372</sup>

However, there is a consensus that CEP did little to develop accountability, since much CEP money was wasted. An East Timorese law graduate, observing the first phase of CEP council administered grants, commented, “Our people are not mentally ready to be given responsibility for such large amounts of money.”<sup>373</sup> An East Timorese women’s group spokesperson similarly worried that if men were put in charge of grant money, “They will drink it, smoke it or gamble it.”<sup>374</sup> In fact, one type of project that was particularly unsuccessful was loans to widows’ groups. Repayment rates of only 30 % were typical. The low rates of repayment were blamed on East Timorese’ experiences with previous micro-credit schemes and CEP councils’ lack of experience with monitoring such schemes. During Indonesian times, many Timorese had gotten away with not repaying loans, especially loans from the Government, so their pre-1999 understanding that loans could be treated as handouts also undermined the effectiveness of this type of CEP project.<sup>375</sup> Some staff members reflected that the World Bank disbursed the second phase of grants too quickly, before village councils had fully prepared for new programs and before previous funds had been fully

---

<sup>370</sup> CEP Adviser Pamela Harris, in Da Silva, G., ‘CEP : Tujuan Mulia, Kesenjangan Melebar’, *Talitakum*, 7 May 2001, p.7.

<sup>371</sup> Based on World Bank evaluations and on interviews conducted by Lao Hamutuk Bulletin, reported in “The Community Empowerment Project Revisited”, *La’o Hamutuk Bulletin*, Vol. 3, No.7, Oct 2002.

<sup>372</sup> Richardson, M., ‘Meanwhile in East Timor, villagers do it their way’, *The International Herald Tribune*, May 17, 2002.

<sup>373</sup> Da Silva, G., ‘CEP : Tujuan Mulia, Kesenjangan Melebar’, *Talitakum*, 7 May 2001, p.7

<sup>374</sup> Taudevin, L., “The Economic Viability of East Timor using Indonesian Achievements as a Benchmark”, *East Timor : Making Amends ?*, Taudevin,L. and Lee, J.(eds), NSW : Otford Press, Nov. 2000, p.113

<sup>375</sup> ‘Letter to Ministry of Internal Affairs from Gillian Brown, CEP Task Team Leader’, World Bank, 13 August 2002, pp.18-19, 22-23; based on CEP Supervision Mission Aide memoire, July 2002

accounted for.<sup>376</sup> Another East Timorese observer felt the second phase of grants were used a little more effectively, “However misuse of funds still occurred”. This misuse not only wasted development funds but also risked causing conflict at village level.<sup>377</sup> The CEP, it was felt, had required too much change in village people’s understandings and accountability procedures in such a short time.

In conclusion, only some pre-1999 procedures and structures were appropriate to retain. In building government institutions, UNTAET indeed did retain some structures, like the district command structure of the police force and using Falintil as the basis for the new formal army. But when UNTAET adopted new structures, procedures and policies, these were often unclear or flawed. The need for later changes like replacing some UNTAET technology and clarifying lines of authority meant much international and local staff’s previous effort had been wasted. Institution building would have been more effective if suitable, clear systems had been put in place right from the beginning of UNTAET. In building private enterprises and civil society institutions, the World Bank was another international organization that introduced new systems, though only one of these was clearly ineffective. Thus, unclear or inappropriate systems were mainly a feature of government institution building and were less frequently a problem in private enterprise or civil society building.

### **Evidence that Ineffective practice number 5 stemmed from the conflicting priorities of international development institutions**

The above mistakes with procedures, structures and policies were, once again, partly the result of international institutions’ conflicting priorities. The priorities that conflicted with institution building were the politically motivated mix of cultures amongst UNTAET staff, desire for political influence over the new government, promoting free market systems, adopting systems that suited UNTAET rather than the new government, tied aid, and hasty scaling down of UN spending.

---

<sup>376</sup> Study author’s own recollection from private discussions with several CEP staff in 2002.

<sup>377</sup> Vieira, A., “Melacak Proyek Bank Dunia di Basis”, *Talitakum*, 7 May 2001, p.12

## **Politically motivated mix of cultures amongst UNTAET staff and desire for political influence over the new government**

Problematic police personnel backgrounds and lack of consistency in procedures taught to police stemmed from a number of conflicting priorities. One was UN prioritization of 'the easy path', recruiting Timorese police with English language skills so international advisers did not need translators. As one ex-UNTAET Minister of Internal Affairs recalled, recruitment interviews were often conducted in English, as this was the official work language of the UN. She told them, 'So you should hire interpreters. You are not recruiting employees for the UN but to the Timorese State, whose official languages are Tétum and Portuguese. To know English can be a supplemental qualification, never a selection criteria.'<sup>378</sup>

Problems also stemmed from UN desire to maintain its typical multinational approach, an approach originally designed for peacekeeping, not nation-building. As early as 2001, a UN review noted the range of different countries involved in institution building had resulted in a range of different systems. It concluded, "At some point in time, and very soon, some degree of harmony of approach to technical assistance and policy advice being provided to East Timor will need to be achieved. A small country with extremely limited resources cannot absorb or sustain different and possibly conflicting advice, systems and approaches to governance and public sector management".<sup>379</sup> But the multinational approach was retained and little harmonization of systems occurred. Reflecting on causes of the 2006 political crisis, Australian Federal Police Commissioner Mick Keelty noted, "One of the downsides of the United Nations capacity-building models in Timor Leste was a multinational approach taken to training and development of...what was the world's newest police forces. Clearly that did not work."<sup>380</sup> Ex-Prime Minister Mari Alkatiri felt this had been a problem for many government institutions, reflecting, "The mistake made by the UN was to try to bring New York to Dili...They brought people from different cultures and different

<sup>378</sup> Interview with Ana Pessoa, Timor-Leste Minister of State and Public Administration, 'translated from Portuguese Expresso online, <<http://online.expresso.clix.pt/1pagina/artigo.asp?id=24761319>> with the help of Alexandre Leite. published through From GreenLeft\_discussion list, 25.06.2006. Accessed in July 2006 at [http://groups.yahoo.com/group/GreenLeft\\_discussion/message/30741](http://groups.yahoo.com/group/GreenLeft_discussion/message/30741)

<sup>379</sup> *Capacity Development for Governance and Public Sector Management: Strategic Management Framework*, Dili: National Planning and Development Agency with support from UNDP, March 2001 (draft), p.8.

<sup>380</sup> Mick Keelty, Australian Federal Police Commissioner, 'Speech by Australian Federal Police Commissioner Mick Keelty APM, National Press Club Address, 11 October 2006. Accessed December 2006 at [http://www.afp.gov.au/media/national\\_media/speeches/policing\\_in\\_a\\_foreign\\_policy\\_space](http://www.afp.gov.au/media/national_media/speeches/policing_in_a_foreign_policy_space)

backgrounds and brought them together to try to build a nation.” Alkatiri added that part of the problem was that so many different visions were advanced.<sup>381</sup> The UN seemed to have prioritized its multinational approach, and the disjointed systems that resulted from this, ahead of harmonized institution building.

The UN’s multi-national approach can be seen to have been particularly damaging in the Ministry of Justice. An UNTAET review found that institutions which received technical inputs from a range of countries, “Tended to fare worse during the transitional administration and have struggled more in the post-independence stage. The justice sector is a prime example of this. It had multiple inputs from different donors and was rather politicised at the expense of technical development, and its strong focus on serious crimes detracted from the development of more routine legal capabilities.” The review contrasted this with the IMF’s almost exclusive technical assistance to the Department of Finance and the Central Payments Office (later the Banking and Payments Authority), and with the Australian Government’s almost exclusive Australian technical input into the Department of Finance’s Budget Office. The multi-national input into the police force and Ministry of Justice led to inconsistent advice and lack of wholeheartedness in terms of quality of support and ongoing commitment.<sup>382</sup> An East Timorese customs official also, “Felt that the Border Service received guidance from too many different countries, each with their own customs procedures and structures.”<sup>383</sup>

The UN’s prioritization of its multi-national approach ahead of the obvious problems this was creating in several government institutions reflected a bureaucratic desire to take the easy path. It would have been more difficult to search for creative alternative systems then embark on the extensive diplomacy necessary to introduce such new systems to the UN. The UN’s prioritization of its multi-national approach also reflected the political motives of various donor countries. Many donors wanted input into the new nation’s government systems for reasons of prestige, and some even wanted input to secure long term geo-political advantages, as will be shown in the following paragraph. In very few sectors were donors prepared to leave building of particular institutions up to just one country. As one experienced aid worker opined,

---

<sup>381</sup> Alkatiri quoted in Shawn Donnan, ‘Dili dilemma: how blunders in building a nation are being brutally laid bare’, *Financial Times*. London (UK): Jun 12, 2006, p.17.

<sup>382</sup> *A Review of Peace Operations: A Case for Change, East Timor*, points 207, 208.

<sup>383</sup> ‘Analyzing Australian Assistance to East Timor’, *La'o Hamutuk Bulletin*, Vol. 3, No. 8, Dec 2002.

many decisions were being made during UNTAET times about governance systems, and this involved a scramble between, “Too many conflicting interests pulling in too many uncoordinated directions”.<sup>384</sup>

Political motives came particularly strongly to the fore in the building of East Timor’s army, the F-FDTL. Australian trainers of the F-FDTL from March 2001 onwards were reported to have, “Clashed heatedly with the Portuguese, who insisted they were in charge of training.”<sup>385</sup> Such international rivalry stemmed from competing desires to influence the new government. One observer commented, “Eager to see the Lusophone world grow, for example, Lisbon - a longtime supporter of Mr Alkatiri - promoted Portuguese as the official language of state, despite the fact that few Timorese speak it.”<sup>386</sup> Showing similar selfishness, Australia’s defence department was reported to have written, “The first objective ... is to pursue Australia’s broad strategic interests in East Timor... The strategic interest of denial seeks to ensure that no foreign power gains an unacceptable level of access to East Timor, and is coupled with the complementary objective of seeking access to East Timor for Australia, in particular the ADF.” Even more ruthlessly, the same document noted, “Australia’s strategic interests can also be protected and pursued more effectively if Australia maintains some degree of influence over East Timor’s decision-making.” Australia’s military trainers were also hamstrung by orders to keep a low profile and not carry arms, a policy deemed to have been motivated by the Australian Government’s fear of upsetting the Indonesian Government.<sup>387</sup> The political agendas of Portuguese and Australian governments were regarded by many to have hindered institution building.

The study has shown that UNTAET retained a system of relatively powerless district administrations even though they knew this would probably be inappropriate to the independent Timor Leste government and even though some district officials felt this adversely affected district-level contractors and economies. UNTAET’s retention of this system may have been partly to save money. It was implementing, “A Twenty-first Century fiscal system with checks and controls that would ensure transparency and

---

<sup>384</sup> Lansell Taudevin in Denton, J., ‘East Timor suffers under weight of world plans’, *Canberra Times*, 14 April 2001.

<sup>385</sup> Paul Daley, ‘Betrayal by fire’, 6 June 2006. Accessed in December 2006 at <http://bulletin.ninemsn.com.au/bulletin/site/articleIDs/D5B6AEEEB251FC27CA25717A002BA708>

<sup>386</sup> Shawn Donnan, ‘Dili dilemma: how blunders in building a nation are being brutally laid bare’, *Financial Times*. London (UK): Jun 12, 2006. p.17.

<sup>387</sup> Paul Daley, ‘Betrayal by fire’, 6 June 2006. Accessed in December 2006 at <http://bulletin.ninemsn.com.au/bulletin/site/articleIDs/D5B6AEEEB251FC27CA25717A002BA708>

accountability, especially in such areas as procurement,” but this was complicated and required foreign advisers.<sup>388</sup> Decentralising financial and procurement power may have required greatly up-scaling coordination mechanisms between Dili and the districts, including part-time or full-time placement of more foreign advisers in the districts, and this would have been expensive.

One additional step to empower districts would have been to formally link the district administration with the community councils being created under the World Bank’s CEP program. In UNTAET’s initial opposition to this move, a second conflicting priority emerged. This linking would have facilitated information sharing between the two levels of administration but was not done, possibly because the UN DPKO department that led UNTAET was often reluctant to work closely with the World Bank.<sup>389</sup> One World Bank-commissioned review hinted that UNTAET prioritised keeping the World Bank away from government institution building. UNTAET did not link CEP councils with the nascent district administrations, even after it finally started building district administrations, because it, “Did not wish to simultaneously preempt local governance structures. Even less did it want the World Bank to be involved in shaping government institutions.” The World Bank, in fact, wanted a decentralization model whereby community councils were funded directly by the central government, bypassing the UNTAET-built district administrations.<sup>390</sup> One UNTAET insider felt UNTAET not only feared empowering the World Bank but also feared empowering local communities, warning of, “UNTAET’s preoccupation with control at the expense of the local community’s involvement in government.”<sup>391</sup> Perhaps in preventing the World Bank’s CEP councils from formally becoming part of the government system, UN officials were prioritizing maintaining power.

---

<sup>388</sup> The Road Map (for the Implementation of NDP Programs), República Democrática de Timor-Leste, Dili, 15 April 2003, pp.7-8. Accessed in December 2006 at <http://www.primeministerandcabinet.gov.tp/RoadMapComplete.pdf>

<sup>389</sup> ‘A popular challenge to UNTAET’s achievements’, 21 Sept 2001, by group of East Timorese linked to RENETIL, Accessed on 6 July ’07 at [http://www.timoraid.org/v1/timortoday/news/reports\\_027.htm](http://www.timoraid.org/v1/timortoday/news/reports_027.htm)  
Even the World Bank admitted to initial cooperation problems between itself and UNTAET. See Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002; accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>390</sup> World Bank, ‘Timor-lesste Project performance assessment report’, Report no. 36590, World Bank Sector, thematic and global evaluation division : Independent evaluation group, June 27, 2006, p.43.  
The Bank was still, just weeks before independence, arguing for the adoption of this ‘direct transfer from central government to community councils’ model. See World Bank, ‘East Timor public administration public expenditure management and accountability note’, the World Bank East Asia And Pacific Region: Poverty Reduction And Economic Management Sector Unit, April 2002, p.31.

<sup>391</sup> Chopra, J., ‘The UN Kingdom of East Timor,’ *Survival*, Vol.42, No.3, 2000, p.30, found in December 2006 at [http://www.watsoninstitute.org/pubs\\_news/kingdom.pdf](http://www.watsoninstitute.org/pubs_news/kingdom.pdf)



In UNTAET's defence, the World Bank had no legal authority to integrate its structures into the government since ultimate authority in East Timor was legally in the hands only of the Special Representative of the UN Secretary General. Other projects like AusAID's East Timor Community Assistance Scheme were providing grants to community-based organizations without expecting these organizations to take on governmental functions,<sup>392</sup> and the World Bank could have followed this less politicized model. And even if UNTAET had wanted to support the World Bank's decentralisation model, it could not have quickly developed all the necessary linkages from national to village level, since the pre-1999 model of district administration was so different. It was highly centralized and undemocratic, with the chain of command going up to a Jakarta-appointed Governor.<sup>393</sup> Indeed, UNTAET by mid 2001 was taking steps towards a decentralized command structure, with the appointment of Timorese District Administrators and the formalization of guidelines for these positions. Also, UNTAET did organise training and on-the-job advisers for these and other senior Timorese officials in the districts.<sup>394</sup> This was genuine devolution of power, in one case allowing East Timorese at district level to challenge suspected collusion in the appointment of a District Administrator.<sup>395</sup> In conclusion, UNTAET's slowness in building a decentralised command structure reaching down to village level may have reflected higher prioritization given to saving money and to maintaining its own centralised power. However, it was not so power hungry as to completely block decentralization moves or bilateral funding of community-based organizations.

## **Prioritising free market solutions**

Turning to problems with the power sector, perhaps these were due to the policy that the Government's Power Authority should eventually be profitable so it could be privatized, and perhaps this policy was due to international pressure. The Asian Development Bank (ADB) felt the structure of the Power Authority could 'evolve' to include, 'Facilities that are owned, operated and managed by the private sector for bulk

---

<sup>392</sup> 'Analyzing Australian Assistance to East Timor', *La'o Hamutuk Bulletin*, Vol. 3, No. 8, Dec 2002.

<sup>393</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, p.93.

<sup>394</sup> UNTAET Media Unit, 'East Timorese Head All Thirteen District Administrations', Dili, 4 July 2001; accessed January 2007 at <http://www.un.org/peace/etimor/DB/Db040701.htm>

<sup>395</sup> Dos Santos, F., Freitas, A.M., Canto, M., Ramos, A., Gonzaga, F., Amaral, J.R., "Pengangkatan Administrator Distrik Lautem Dinilai KKN", *Talitakum*, 8 July 2001, p.29.

sales to the public power supply,’ and that, ‘Certainly the private sector could provide a source for needed investment in power in the near term.’ It noted that companies from Australia, Singapore, Brunei and Portugal had expressed interest in investing in the power sector. It further recommended a legislative framework to support the power authority’s independence from the government and another framework for private sector participation in the power sub-sector, to assist the Government in evaluating proposals and in conducting negotiations for private services and investment. It also recommended an evaluation being written of the Power Authority’s potential for outsourcing and other private sector participation.<sup>396</sup> Given the above depth of ADB’s attention to the power sector, one reason for the power authority’s poor cost recovery procedures and technological inadequacy may be that ADB prioritized preparation for a privatization policy ahead of actual power authority performance. One East Timorese journalist had similar suspicions about UN-funded advisers, claiming they wished to make East Timor’s power authority dependent on wealthy foreign countries.<sup>397</sup>

Many international institutions tried to influence the policies and structures being built, not just in the Power Authority but throughout the East Timor Government. The World Bank was particularly active in promoting a ‘free market-small government’ ideology. In June 2000, the World Bank and UNTAET were already planning a ‘small government’ model, advising, “Support for community and NGO-led projects from both bilateral donors and the trust funds reflects the priority given to visible interventions at the community level.”<sup>398</sup> The World Bank may also have been working to block any major role for the Government in agriculture and infra-structure, despite the fact that East Timor was one country where such a role could be sustainable, once expected oil revenues flowed. One international NGO thus complained in June 2001 that, ‘The World Bank has ... blocked proposals by East Timorese administrators and UNTAET for public facilities such as a public grain silo and public abattoirs, insisting that all potential revenue-generating projects must be privatised.’<sup>399</sup> After East Timor gained independence, the World Bank continued to emphasise that, “The role of Government will be limited to providing those essential services that the private sector and civil society organizations are not in a position to

---

<sup>396</sup> *Fourth Progress Report on East Timor*, Donor’s Council Meeting, Dili, 14-16 May 2002, pp.64-5

<sup>397</sup> Tim, “Masalah Listrik Menyusahkan Rakyat”, *Lian Maubere*, 24 Nov.2001, p.7

<sup>398</sup> World Bank and UNTAET, *Background Paper for Donors Meeting on East Timor*, Lisbon, Portugal, 21-23 June 2000 (final draft), p.8, point 26.

<sup>399</sup> Anderson, T., ‘The World Bank in East Timor’, Aidwatch Briefing Note, June 2001. Accessed December 2002 at <http://members.pcug.org.au/~wildwood/01julwb.htm>

deliver”, with an accompanying veiled threat that, “Progress will be taken into account ...in determining the proposed level of financing and content of subsequent programs.”

<sup>400</sup> The World Bank maintained that it did not have a single underlying agenda and that the policies and roles in different countries should vary, depending on the existing government’s, “Capacity to make effective decisions, its administrative capabilities, the country’s level of development, external conditions,” and other factors. Despite this claimed flexibility, the World Bank insisted there is a, “Consensus that governments should adhere to the policy fundamentals” and these fundamentals included fostering a free market in which the government’s role was to provide a legal and regulatory framework. <sup>401</sup> The World Bank sometimes prioritized its own ‘free market-small government’ ideology instead of giving Timorese a free reign to decide their own systems.

Other international finance institutions pursued similar objectives. The World Bank’s sister organization, the Asia Development Bank, aimed to prepare many of East Timor’s infra-structure services for private sector participation. During the Indonesian occupation, it noted, these services were government-dominated. From 2000, the ADB oversaw the handing over of control from government to private enterprises in management and services at Comoro airport in Dili and in tug boat and ferry services operating from Dili Port. Turning to water supply and sanitation, the Bank planned support, “For autonomous and accountable service providers, private sector participation, and public-private partnerships.” <sup>402</sup> In the water and sanitation sectors, ADB explained, “Support will be provided for autonomous and accountable service providers, private sector participation, and public-private partnerships.”<sup>403</sup> In the, “Establishment of efficient institutions in the transport sub-sectors, ADB expected that, “The proposals and implementation mechanisms will pay particular attention to private sector involvement.” <sup>404</sup> The ADB continued its pressure for privatization even after independence. In August 2002, the ADB received consultant reports from an Australian power supply company which, unsurprisingly, advised the Government of

---

<sup>400</sup> “Program Appraisal Document on a Proposed Post Conflict Grant for a Transition Support Program”, World Bank, 22 July 2002, p.22.

<sup>401</sup> World Bank, *Entering the 21<sup>st</sup> Century* : World Development Report 1999/2000, 2000, pp.14, 16.

<sup>402</sup> *Mid Term Progress Report on East Timor*, Asian Development Bank, 11-13 Dec 2001, pp.28, 59.

<sup>403</sup> *Mid Term Progress Report on East Timor*, Asian Development Bank, 11-13 December 2001, p.59.

<sup>404</sup> *Progress Report on Trust Fund for East Timor*, Asian Development Bank, 21-23 June 2000, p.62.

East Timor to privatize its power management.<sup>405</sup> Much of the ADB's advice about systems suggests the ADB prioritised privatizing infrastructure services.

The IMF financed the establishment of the East Timorese administration's Central Payments Authority and advised it on matters such as, "Currency management, making payments and receipts on behalf of the ET administration and ....bank licensing and supervision."<sup>406</sup> It pursued free market solutions, it seems, even when there was local resistance. As one IMF official complained in July 2000, "East Timorese are yet to begin paying for public utilities or pay much in the way of taxes....IMF's early attempts at overseeing an orderly budget process have been thwarted."<sup>407</sup> Perhaps IFIs were prioritizing a free market system regardless of whatever system was suitable for or desired by Timorese.

It was not just multinational financial institutions that pushed for a 'free market-small government' model. By June 2000, the governments of Japan, the US and Australia all had reconstruction programs running that worked through community-based or non-governmental organizations rather than through East Timor's de facto government. In their six-monthly meetings to discuss reconstruction progress in East Timor, donors' comments ranged from, "It is vital that agriculture and the private sector are experiencing strong growth at the time of the transition,"<sup>408</sup> in December 2000 to the more prescriptive assertion in December 2001 that, "A necessary condition for the resumption of strong growth is the adoption of a sound regulatory framework for private sector activity, including legislation ... and the resolution of current service level and cost recovery problems in the infrastructure sectors."<sup>409</sup> In January 2001, the European Union stressed to East Timor's leaders, "The value of a lean.... administrative system."<sup>410</sup> A UNDP-financed plan to build the capacity of the East Timorese Government concluded that, "It is the responsibility of the government to

---

<sup>405</sup> Anderson, T., "The Asian Development Bank and Privatisation in East Timor", AID/WATCH, October 2002; accessed Jan 2005 at [http://www.aidwatch.org.au/index.php?current=68&display=aw00164&display\\_item=1](http://www.aidwatch.org.au/index.php?current=68&display=aw00164&display_item=1)

<sup>406</sup> World Bank and UNTAET, *Background Paper for Donors Meeting on East Timor*, Lisbon, Portugal, 21-23 June 2000 (final draft), p.6, point 17.

<sup>407</sup> Luis Valdivieso in Milverton, D., 'IMF Official Outlines Pitfalls in East Timor Aid Effort', *Dow Jones Newswires*, vol.1, No.5, 21 July 2000.

<sup>408</sup> *Background Paper for Donors Meeting on East Timor*, Brussels, United Nations Transitional Administration in East Timor and the World Bank, 5-6 December 2000, p.ii.

<sup>409</sup> *Background Paper for Donors Meeting on East Timor*, Oslo, United Nations Transitional Administration in East Timor, East Timor Transitional Government and the World Bank, 11-12 December 2001, p.iv.

<sup>410</sup> Swedish Ambassador Pierre Schori, on behalf of the European Union, UN Security Council : Open Debate on East Timor, accessed in January 2007 at [http://www.swedenabroad.com/Page\\_\\_\\_\\_13077.aspx](http://www.swedenabroad.com/Page____13077.aspx)

provide basic public services that non-government or private institutions cannot deliver on a fee for service basis...Any capacity building undertaken should focus on the development of abilities to deliver services to the population [and] to promote the development of the private sector".<sup>411</sup> As one international finance observer summarized, the reconstruction of East Timor was to be, "An important testing ground for the World Bank, the IMF and a group of wealthy donor countries."<sup>412</sup>

There is no doubt these international groups believed their 'free market – small government' solutions were the best option for East Timor but critics felt they imposed these solutions against the popular will. The solutions were, some suspected, "Directed to getting East Timor to adopt the neo-liberal model that places the interests of multinational investors above those of one's own people."<sup>413</sup> CNRT leader Xanana Gusmão expressed similar concerns himself as early as November 1999, accusing the World Bank of sometimes trying to impose its own views on how East Timor should be rebuilt.<sup>414</sup> NGO representatives in 2002 complained that the government's 5-year development plan, "Has been required to fit with the model of the Poverty Reduction Strategy Papers (PRSP) of the World Bank and IMF." They reminded the donors and the government of East Timor that, "As the country is being built from scratch with specific challenges brought by its history, its development should be tailored according to these challenges and not approached with a simple 'one size fits all' model."<sup>415</sup> The model being imposed was also criticised by Charles Scheiner because initially it, "Included fees for school and other public services, minimal public sector employment, few restrictions on foreign investment, public services contracted out to private (often foreign) companies, plans for privatization of public infrastructure, and so-called 'free trade'." The effects of these policies were, Scheiner argued, "Local rice continues to be crowded out by cheaper imports, and electricity, telephone and potable water remain unavailable or unaffordable to the majority of the population".<sup>416</sup>

---

<sup>411</sup> *Capacity Building for Governance and Public Sector Management, Program Overview*, East Timor : National Planning and Development Agency, with support from UNDP, August 2001, p.2

<sup>412</sup> Michael Casey, quoted in Aditjondro, G., "From Colony to Global Prize: Timor Loro Sa'e Under a New Wave of Economic Transformation", *Arena*, Issue 47, June - July 2000. Accessed Sept 2007 at <http://www.arena.org.au/Archives/Mag%20Archive/Issue%2047/features47.htm>

<sup>413</sup> *Bitter Flowers, Sweet Flowers : East Timor, Indonesia and the World Community*, Tanter, Selden and Shalom (eds), Oxford : Rowman and Littlefield, 2000, p.265.

<sup>414</sup> Daley, P., 'Gusmão Wary of Bank's Policy Push', *Sydney Morning Herald*, 10 Nov.1999, p.13.

<sup>415</sup> Fonseca, J., "Joint Statement: East Timorese and International NGOs to Dili Donors Conference", 23 May 2002. Accessed 11 Jan 2005 at [http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display\\_item=1](http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display_item=1)

<sup>416</sup> Charles Scheiner, 'Self-determination requires more than political independence: Recent developments in Timor-Leste,' La'o Hamutuk presentation for the conference on International Law and the Question

Another observer warned, “The dangers of privatisation include highly priced services (private monopolies always raise prices), unequal access to power and water, a loss of public complaints mechanisms (under s.27 of the Constitution the Ombudsman can only deal with acts by "public bodies"), and a loss of transparency and accountability”.<sup>417</sup> Clearly some people felt free market ideology was being prioritized at the expense of effective institution building, particularly in the transport and infrastructure sectors.

International finance institutions and donors directed a significant proportion of reconstruction funds to building private enterprises, preparing ‘free market-small government’ feasibility studies and planning documents and drafting regulations to facilitate private enterprise. These included assistance to privatise services which were in Indonesian times government-run, like the power sector and airport management, and to block potential new government-run services, like grain silos and abattoirs. This allocation of funds clearly helped build some private enterprises that might otherwise have been government enterprises, so it certainly increased capacity building for some institutions and channeled funding away from others. It could be argued that this allocation still built government capacity since it assisted the future government in providing one type of service, a regulatory service for private enterprise. It also increased the future government’s ability to be self-financing by assisting it in handing over to private enterprise (much of which was not locally owned) some service functions that may have eaten into the government budget. Thus, the outcome of these funding allocations, free market advocates might argue, was the building of a ‘streamlined’ version of government and of expanded roles for private enterprise. However, others may argue that the money could better have been used to increase the quality or quantity of government services. East Timorese institutions built upon ‘free market-small government’ principles may or may not have been good for East Timor, but international organizations gave Timorese limited input into design of macro-level systems like the size and roles of government in East Timor.

### **Tying aid and adopting systems that suited international organisations rather than the new government**

---

of Western Sahara, Institute of Social Studies, Den Haag, Netherlands, 27-28 October 2006. Accessed in November 2006 at <http://www.laohamutuk.org/reports/06SelfDeterminationSahara.htm>

<sup>417</sup> Anderson, T., “The Asian Development Bank and Privatisation in East Timor”, AID/WATCH, October 2002; accessed Jan 2005 at [http://www.aidwatch.org.au/index.php?current=68&display=aw00164&display\\_item=1](http://www.aidwatch.org.au/index.php?current=68&display=aw00164&display_item=1)

As explained above, some of the business systems and work procedures developed right across the new government were criticized as inappropriate. These may have been adopted because they suited UNTAET, without regard for whether they could be sustained by the less skilled and more modestly equipped future government of East Timor. Indeed, one review suggested that purchases by UNTAET gave little thought to what items were suitable to pass on to the future East Timor government. Instead, UNTAET overspent on facilities for its own administration, like 1800 personal computers, 1500 printers, 1350 new cars, more than 500 laptop computers and 200 fax machines, as well as air conditioning units, electricity generators and Kobe huts (transportable offices).<sup>418</sup> As early as mid-June 2001, UNTAET had been aware of this problem. One government report indeed noted these would need to be changed after East Timor's independence, "To bring them into line with the technological and corporate infrastructure of the independent East Timorese administration."<sup>419</sup> An earlier report had raised concerns that foreign advisers were establishing systems which they knew and felt comfortable with, rather than systems suited to East Timor. It warned that some systems, procedures and regulations, "May be overly complex, or based on different international models requiring substantive training and maintenance. First world solutions in some cases are being imposed on particularly tough third world conditions."<sup>420</sup> If institution building had been a higher priority, more spending would have been directed to technology and systems that were suitable for the East Timor government.

Another donor priority may also have led to the choice of inappropriate business systems and may even have reduced effectiveness of the building of the abovementioned infrastructure institutions. This was the donors' desire for 'boomerang aid' – aid given on condition that certain goods and services are purchased from the donor country. For example, one study found that Japanese aid for power rehabilitation was conditional on use of "Japanese technical advisors and engineers, despite the fact that these staff, while competent, may not be the most cost-effective." The study concluded that, "An open and transparent tender process for these positions would ensure that the most competent and cost-effective people were hired," saving money

<sup>418</sup> 'East Timor Faces Post-UNTAET Challenges: What is to be done?', *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

<sup>419</sup> World Bank and UNTAET, *Background Paper for Donors' meeting on East Timor*, Canberra, Australia, 14-15 June 2001, p.15.

<sup>420</sup> *Capacity Development for Governance and Public Sector Management: Strategic Management Framework*, Dili: National Planning and Development Agency with support from UNDP, March 2001 (draft), p.27.

that could be used for rehabilitation of facilities.<sup>421</sup> Another example was AusAID's insistence that all its contractors be Australian, a requirement that also may not have produced the most cost effective expertise and administration chain.<sup>422</sup> It has been suggested that over a third of World bank-administered TFET funds were eaten up by foreign consultants' fees, overheads and tied procurements, leaving little to address urgent problems.<sup>423</sup> Others have similarly argued that half or more of the aid received by East Timor up to 2002, "Came in the form of what is often referred to as "boomerang aid" - money that bankrolls development consultants' salaries and other overhead costs. ...too little of it was spent on shoring up the country's fragile institutions."<sup>424</sup> Perhaps without such donor priorities, much money could have been saved and used for better government infrastructure services, and lower cost business systems might have been set up.

### **Hasty scaling down of UN spending and control**

Finally, many of the above problems with procedures, policies and structures were caused partly by a lack of time. In this respect, UNTAET's prioritization of an early hand-over undermined institution building. The weak legitimacy of Timor Leste's National Parliament has been attributed partly to time pressures. The Constituent Assembly was simply converted into a national parliament since, "The tight timetable also virtually excluded the possibility of a separate UNTAET-supervised parliamentary election before independence."<sup>425</sup> One academic argued the Constitution's lack of, "A firm provision for the election of local government, the setting up of local courts or land ownership provisions," was linked to the UN's, "Unrealistically short time-frame."<sup>426</sup> One ex-UNTAET official blamed, "The U.N. for leaving so precipitously after independence and for not supplying sufficient long-term funding and staffing to really train the defense and police forces and create a competent civil service."<sup>427</sup> Federer argued that a longer lead-up to independence would have allowed

<sup>421</sup> 'Japanese Aid to East Timor', *The La'o Hamutuk Bulletin*, Vol. 3, No. 6: August 2002 (1/2)

<sup>422</sup> 'Analyzing Australian Assistance to East Timor', *La'o Hamutuk Bulletin*, Vol. 3, No. 8, December 2002.

<sup>423</sup> Nick Everett, 'East Timor: Roots of the political crisis,' *Green Left Weekly*, June 28, 2006.

<sup>424</sup> Donnan, S., Dili dilemma: how blunders in building a nation are being brutally laid bare, *Financial Times*, London (UK): Jun 12, 2006. p.17.

<sup>425</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, 10 March 2003, point 305.

<sup>426</sup> Hill, H.M., 'Dispelling the Myths of Timor', accessed 4 July 2006 at <http://www.asianlang.mq.edu.au/INL/timormyths.html>.. This article was originally published in *Arena Magazine* No. 62 (February-March 2003).

<sup>427</sup> Neumann, A. Lin, 'Getting It Wrong In East Timor,' *Far Eastern Economic Review*, July/August, 2006.



development of civilian oversight of police and may even have allowed Timorese to discard behaviours that undermined governance, like seeking privileges and status symbols, seeking kickbacks, and favouring family members.<sup>428</sup>

The timetable for handover was no doubt affected by conflicting priorities, chiefly the UN's desire to save money. One researcher noted that the mission was costing the UN half a million dollars a day and that this led to pressure for rapid mission completion.<sup>429</sup> Sukehiro Hasegawa, head of the UN in East Timor during the 2006 crisis, reflected that, "The UN moved too quickly to downsize its peacekeeping presence in East Timor and withdraw from important institution building work," and this was largely because of budget constraints since 1999.<sup>430</sup> A review of UNTAET put it most clearly, conceding: "This timescale could be seen as having been as much driven by what the UN Secretariat judged major country contributors' budgets and the Security Council's limited patience with nation-building would bear as by the practicalities of implementing the transitional administration's mandate."<sup>431</sup> Building nations and their institutions was not UN donor countries' only priority.

In conclusion, international organizations building government institutions implemented a lot of procedures, policies and structures that were inappropriate or unclear. However, when they consciously strove to discard a particular pre-1999 procedure, it was usually a good decision. UNTAET's adoption of a centralized system of control over the districts and its downscaling after less than three years were largely motivated by budgetary priorities. Other priorities that hindered implementation of clear, appropriate procedures, policies and structures were the following: employing advisers from a multiplicity of different backgrounds, influencing the new government's policies, adopting systems that suited UNTAET rather than the new government, and tying aid.

---

<sup>428</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a fragile state*, Charles Darwin University Press, 2005, pp.102-103.

<sup>429</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).

<sup>430</sup> Donnan, S., 'Dili dilemma: how blunders in building a nation are being brutally laid bare', *Financial Times*. London (UK): Jun 12, 2006, p.17.

<sup>431</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, 10 March 2003, point 30.

## **Conclusion for Chapter 3**

The study makes no judgement as to whether government institution building was overall a failure, but rather argues that some elements of government institution building were ineffective. This chapter has identified five general practices that hindered government institution building:

1. A slow start and early scaling down of institution building;
2. Recruiting institution builders who lacked understanding of local culture and language, lacked teaching or technical skills, or lacked commitment;
3. Slowness to give government decision-making experience to local people;
4. Setting a bad governance example in terms of bureaucracy, economic waste, authoritarianism and lack of transparency.
5. Establishing unclear or inappropriate systems while ignoring many pre-1999 structures, skills, and procedures which could usefully have been built upon.

These five ineffective practices have been kept separate from the five ineffective practices in the next chapter because, while also occasionally hindering the building of civil society institutions, the first five ineffective practices mainly hindered the building of government institutions. The main perpetrators of these practices were UN officials but other international organizations occasionally made similar mistakes. Since Chapter 1 suggests planners were aware of these pitfalls from experiences elsewhere and from theory, explanations were sought for why they fell into these five traps.

A major reason for the above five ineffective practices occurring was that international organisations had other priorities that sometimes conflicted with institution building.

These were:

- Fulfilling other UN mission objectives that competed with institution building for UN resources and for officials' attention. The main competing objectives were maintaining security, administering the country and supporting provision of humanitarian aid. Others included physical reconstruction of government facilities and organizing the safe repatriation of Timorese refugees.
- Scaling down the UN mission quickly to reduce costs.
- Interdepartmental rivalry within the UN in New York.

- Diplomatic priorities like appeasing Indonesia and deploying advisers from a multiplicity of different backgrounds.
- Donors' economic objectives like promoting their products and recycling money back to the donor-country.
- Donors' and international finance institutions' objectives to influence the policies of the Timorese government.
- UN officials' preference for 'the easy path' instead of taking measures that were risky or time-consuming. In particular, officials often chose systems that suited UNTAET rather than the new government, and were reluctant to adapt normal UN procedures and structures to the unusual context they faced in East Timor.
- Many individual officials' desire not to stay long in East Timor, and not to live outside the capital city.
- Some individual officials' selfish motivations, including job retention, career advancement and even corruption.

The study does not argue that conflicting priorities were the only root cause of the ineffective practices. Suhrke, for example, has attributed much of the UN's ineffectiveness in East Timor to the problem that, "Institutional structures and cultures at both the central UN level and in the mission," had not been adapted to the UN's relatively new governance role.<sup>432</sup> Gorjão traced efficiency problems back to, "UNTAET's inadequate planning methods, procedures, and assumptions," and lack of appropriate skills and resources. He traced UNTAET's problems with accountability and local participation back to a fundamental problem of interim administrations: they contained no elected representatives so had no democratic legitimacy with the local population.<sup>433</sup> Key recommendations from a World Bank evaluation and UNTAET evaluation suggest poor planning was behind many capacity building problems. The UNTAET evaluation in turn attributed this poor planning to a lack of preparation time and to the short transition period before independence, arguing, "The political timetable eventually adopted by UNTAET was not optimal from the point of view of building capacity for sustainable self-government, establishing stable political institutions or creating a democratic political environment".<sup>434</sup> Whilst lack of

<sup>432</sup> Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).

<sup>433</sup> Gorjão, P., "The Legacy and Lessons of the United Nations Transitional Administration in East Timor", *Contemporary Southeast Asia*, Vol.24, Number 2, August 2002, pp.328, 330.

<sup>434</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002; accessed 9 Jan 2007 at

appropriate structures, planning, resourcing, political legitimacy and time may have contributed to many of the above ineffective practices, this study has shown that conflicting priorities were a significant contributor to all five ineffective practices.

---

<http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>  
For UNTAET evaluation, see *A Review of Peace Operations : A Case for Change - East Timor Study*, Conflict, Security and Development Group, Kings College London, 10 March, 2003, executive summary and p.378.

## **Ineffective practices affecting building of government institutions , private enterprises and civil society institutions**

### **Ineffective practice number 6 :**

**The type of training / mentoring provided to members of local institutions was frequently not the most appropriate.**

**Also, the particular Timorese staff chosen to participate in training programs were frequently not the most appropriate.**

Chapter 1 identified a general consensus among experts that assistance should more frequently take the form of long term and ‘on the job’ learning for institute members. It should less frequently take the form of ad hoc workshops. Furthermore, the chapter noted that institution building could be compromised if technical assistants took over locals’ responsibilities. Below I will examine whether overuse of ad hoc workshops, mentor disempowerment of locals and other inappropriate types of training or mentoring occurred frequently in Timor Leste. I will also examine whether the particular Timorese chosen to join training programs were the appropriate choices in terms of their time availability, and learning ability and the relevance of the training to their daily tasks.

Many different forms of capacity building were adopted in the period 1999-2002: on-the-job-training by visitors or mentors, workshops, longer training courses, study trips or simply by provision of guidebooks and other materials for self-help. However, virtually all organizations agreed, in line with the best practice theory in Chapter 1, that on-the-job learning should be the cornerstone of staff capacity building. Within this general principle, there was a variety of approaches to on-the-job learning. The Cabinet

Secretariat recommended provision of a technical adviser who could make periodic, regular visits rather than be based full-time in the office.<sup>435</sup> The World Bank emphasized ongoing mentoring in the Ministry of Finance. Mentoring, it recognized, was being undermined by high mentor turnover and consequent discontinuity however, it continued, this problem could be minimised by the establishment of, “A long-term institutional twinning arrangement whereby there will be continuity in the teams, even if individual consultants are rotated.”<sup>436</sup> “For senior managers,” concluded one major review conducted by UN agencies, “On-the-job experience could well provide the best capacity building, supplemented with distance education and advisors to help bridge experience gaps.”<sup>437</sup> More generally, a representative of the European Union told the UN Security council that on-the-job training, including one-to-one mentoring, was generally favoured over more theoretically-based classes.<sup>438</sup>

Though there was consensus that on-the-job training should be the main form of capacity building, many institutions continued to let theoretical workshops predominate. Thus, one review criticized, “A tendency to confine capacity-building activities to straightforward training activities,” and suggested that more training could be done on-site.<sup>439</sup> A later review criticized internationals in the Ministry of Justice for the way their off-site training program undermined operation of the court system. It noted, “Each training module has been held in one session only for all judges, prosecutors and public defenders, which has had the effect of paralysing the entire court system across the country for sometimes several weeks at a time,”<sup>440</sup> a problem that could have been minimized if more of the learning had been on the job. The Even the European Union was compelled, in 2001, to urge the UN to make, “Greater efforts ... to strengthen capacity-building including through on-the-job-training.”<sup>441</sup> The Timorese themselves in 2001 argued for a reduction in, “Ad hoc training and capacity

<sup>435</sup> *The East Timor Combined Sources Budget, 2001-2002*, Dili : East Timor Transitional Administration’s Central Fiscal Authority, 2001, pp.35, 45.

<sup>436</sup> World Bank, ‘East Timor public administration public expenditure management and accountability note’, the World Bank East Asia And Pacific Region: Poverty Reduction And Economic Management Sector Unit, April 2002, p.60.

<sup>437</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, p.98.

<sup>438</sup> See “Statement of Ambassador Pierre Schori, Permanent Representative of Sweden on behalf of the European Union”, UN Security Council : Open Debate on East Timor, 26 January 2001.

<sup>439</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, pp.97-98.

<sup>440</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King’s College London, 10 March 2003

<sup>441</sup> Swedish Ambassador Pierre Schori, on behalf of the European Union, UN Security Council : Open Debate on East Timor, accessed in January 2007 at [http://www.swedenabroad.com/Page\\_\\_\\_\\_\\_13077.aspx](http://www.swedenabroad.com/Page_____13077.aspx)

building responses which have not demonstrably improved capacity in past experience,” and for adoption of mechanisms to increase workplace learning. These mechanisms included requiring, “That all international staff in particular working in East Timor should work to performance objectives related to skills transfer and capacity building,” and that East Timorese in each office should officially hold the title of the senior post, whilst the international staff member should hold a title of advisor.<sup>442</sup> Clearly there was widespread and ongoing dissatisfaction with the lack of on-the-job capacity building.

Many people felt that long term courses or study trips for senior civil servants were disruptive to the civil servants’ institution. Thus, one UN agency paper argued, “For senior managers, ... it is advised that lengthy secondments/ scholarships should be avoided.”<sup>443</sup> Again, this best practice was too often ignored. A UNDP-backed study saw some value in short term courses for current managers but was compelled to emphasise that longer term courses were only appropriate for younger Timorese who might, “Enter the government service ...and move into management positions over the next 5 to 15 years.”<sup>444</sup> Donors were told in December 2001, “The absence from East Timor of significant numbers of civil servants for external training has been recognized as a threat to the success of the administrative handover. Senior civil servants are required in the country to advise the government as well as to manage the provision of basic government services.”<sup>445</sup> One international later reflected that senior civil servants were, right from the start, pre-occupied with status symbols, including being given too many overseas trips.<sup>446</sup>

There was criticism not just of the lack of on-the-job training but of the type of skills being taught to Timorese. A UN agency paper worried that, “Training needs are still imprecisely defined and not necessarily linked to required job competencies....A relatively large amount of training is focused on improving English and Portuguese

---

<sup>442</sup> ‘Capacity building briefing paper to donors meeting, Canberra,’ June 2001, Forum Nacional ONG Timor Lorosa’e the East Timor National NGO Forum.

<sup>443</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, p.98.

<sup>444</sup> *Capacity Building for Governance and Public Sector Management, Program Overview*, East Timor: National Planning and Development Agency, with support from UNDP, August 2001, p.31.

<sup>445</sup> United Nations Transitional Administration in East Timor, East Timor Transitional Government and the World Bank, *Background Paper for Donors Meeting on East Timor*, Oslo, 11-12 December 2001.

<sup>446</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a Fragile State*, Charles Darwin University Press, 2005, pp.102-103.

language skills, as opposed to technical and administrative skills.”<sup>447</sup> A World Bank paper similarly reflected, “In retrospect, stronger emphasis on policy and technical training would probably have been desirable from the beginning.”<sup>448</sup> A World Bank paper on expenditure management in East Timor seemed to be criticising technical assistants in East Timor when it argued that, “International experience has shown that technical assistance does not have a significant impact on capacity unless accompanied by a substantial training program to upgrade counterparts’ basic skills.”<sup>449</sup> Examples of areas with shortages of technical expertise were doctors, engineers and technicians to maintain services in the water and sanitation and transport sectors.<sup>450</sup> After independence, East Timorese and internationals alike agreed that the technical capacity of East Timorese public servants had not been sufficiently built. This shortfall created further problems, as without technical knowledge, Timorese in some institutions were unable to participate fully in policy discussions.<sup>451</sup>

Another problem with capacity building was that it was often done in a language the Timorese did not fully understand. The November 2000 review, “Building Blocks for a Nation”, noted that while the main two languages in Timor Leste were Tetum and Bahasa Indonesia, Timorese leaders favoured Portuguese becoming the government’s working language and the UN, and most donors and international NGOs conducted their work primarily in English. This presented what the review termed ‘an added complication in capacity building,’ including the use of much training time to teach English and Portuguese language skills rather than technical and administrative skills.<sup>452</sup> The lack of local language skills amongst UNTAET international staff has been detailed in Section 2 of this chapter. This language barrier reduced opportunities for international staff to exchange learnings with local staff in day-to-day work and to understand how the systems they were implementing fitted into the local context.

---

<sup>447</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, p.97.

<sup>448</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, p.15. Found at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>, accessed 9 Jan 2007.

<sup>449</sup> World Bank, ‘East Timor public administration public expenditure management and accountability note’, the World Bank East Asia And Pacific Region: Poverty Reduction And Economic Management Sector Unit, April 2002, p.9.

<sup>450</sup> United Nations Transitional Administration in East Timor, East Timor Transitional Government and the World Bank, *Background Paper for Donors Meeting on East Timor*, Oslo, 11-12 December 2001.

<sup>451</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, points 180, 200.

<sup>452</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, , East Timor : UNDP and team from other UN Agencies, November 2000, p.97.



Problems became even more acute when trainings were conducted in English or Portuguese without translation. The heads of two ministries, Foreign Affairs and Justice, insisted on training being conducted in Portuguese but many donors, UN officials and East Timorese felt this policy undermined training effectiveness.<sup>453</sup> A 2001 household survey had found only 5 % of Timorese spoke Portuguese, compared to 43 % speaking Indonesian,<sup>454</sup> so it is likely that few civil servants could speak Portuguese. In the author's own experience organizing trainings on cabinet submission steps for senior East Timorese civil servants, applicants indicated a strong preference for training in Indonesian language when offered a choice of classes in Portuguese and Indonesian language. More than twice as many signed up for the classes conducted in Indonesian language and many of those who attended the training in Portuguese had difficulty following simple instructions in Portuguese, let alone absorbing complex oral or written information. Even when civil servants were provided with translation to a local language, whether in workshops and day-to-day activity, this translation was frequently of a quality that led to omissions and misunderstandings, particularly in rural government offices.<sup>455</sup>

Though none would deny that key learning documents also needed to be translated into a local language, this frequently did not happen. A UNDP official noted that in the Foreign Ministry some learning materials were not translated.<sup>456</sup> A 2003 UNTAET review similarly found that a comprehensive development plan for the East Timorese police, belatedly written in late 2001, was still only available in English. Many secondary schools were unable to offer science teaching as the teaching materials weren't available in Bahasa or Tetum.<sup>457</sup> One UN planner noted that a school to prepare a large pool of language assistants was not set up at the outset of the UNTAET mission, even though this could have helped minimise language barriers.<sup>458</sup> UNTAET

---

<sup>453</sup> Dodd, M., "Ramos Horta Lashes UN in Language Row", *Sydney Morning Herald*, 25-26 August 2001, p.17.

<sup>454</sup> *Ukun Rasik An : East Timor Human Development Report 2002*, Dili : UNDP, 2002, p.36.

<sup>455</sup> Study author's personal experiences while working in 2001 with the Cabinet Secretariat and in 2002 with the Office of District Affairs of the Government-in-waiting. The head of one INGO similarly recalled in 2005 that during the 1999-2002 period, "Most of the times there were no translations. In the cases that the translations were there, they were so badly translated that most of the times the messages were never accurately put across." [correspondence with study author].

<sup>456</sup> Freitas, B., UNDP-funded training coordinator with Ministry of Foreign Affairs, in unpublished interview with study author, 20 November 2002.

<sup>457</sup> *A Review of Peace Operations : A Case for Change - East Timor Study*, Conflict, Security and Development Group, Kings College London, 10 March, 2003, points 79 (& see footnote 106), 194.

<sup>458</sup> Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, p.112.

paid insufficient attention to the fact that learnings could only be acquired if they were in an accessible language.

There were also criticisms made after the 2006 security crisis that capacity builders had paid attention to skills and institutional structures but not enough to changing Timorese attitudes. Attitudes to government in particular are discussed further under 'Ineffective practice number 10' in this chapter. However special mention is made here of the building of FDTL as this was undermined by failure not only to address negative attitudes to authority but also address attitudes of ethnic division.

One observer felt FDTL's training needs had been misinterpreted by international consultants who had, "Limited understanding of Timor-Leste's needs, history and society.... During the Indonesian occupation, FALINTIL guerillas had to work secretly and independently in a decentralized structure, taking their own initiative and obtaining weapons from black-market sources." These tactics had not been fully replaced with ones more suited to a normal modern army in a democratic society so they re-emerged with disastrous consequences during the political crisis of 2006.<sup>459</sup> Others similarly noted that there was, "No model, no doctrine, no clear strategy" applied coherently during the UNTAET period and as a result, "Negative references, inherited from the foreign military occupation," remained strong amongst police and FDTL members.<sup>460</sup> If trainers had better understood ethnic or regional divisions within FDTL, they could have addressed these and maybe the 2006 governmental crisis could even have been averted, but a retired Australian major-general who was deputy commander of the UN peacekeeping force in East Timor later recalled that the peacekeepers were never aware of these divisions.<sup>461</sup>

The type of training or mentoring in the Ministry of Justice was also noticeably flawed. One UNTAET review found, "A major defect of the training programmes was that their design was not coordinated by the different donors supporting them. The result

---

<sup>459</sup> Charles Scheiner, 'Self-determination requires more than political independence: Recent developments in Timor-Leste,' La'o Hamutuk presentation for the conference on International Law and the Question of Western Sahara, Institute of Social Studies, Den Haag, Netherlands, 27-28 October 2006. Accessed in November 2006 at <http://www.laohamutuk.org/reports/06SelfDeterminationSahara.htm>

<sup>460</sup> 'Interview with Ana Pessoa, Timor-Leste Minister of State and Public Administration,' translated from Portuguese Expresso online, <<http://online.expresso.clix.pt/1pagina/artigo.asp?id=24761319>> with the help of Alexandre Leite. Published through From GreenLeft\_discussion list, 25.06.2006. Accessed in July 2006 at [http://groups.yahoo.com/group/GreenLeft\\_discussion/message/30741](http://groups.yahoo.com/group/GreenLeft_discussion/message/30741)

<sup>461</sup> Whit Mason, 'Own goals' only in East Timor,' *Australian Financial Review*, 3 July 2006.

was both duplication of effort and inappropriate course content.” Judges, prosecutors and public defenders were found to be, “Increasingly resistant to being compelled to attend further training programmes..[due].to the lack of strategic direction and poorly handled implementation of the programmes.”<sup>462</sup> Enthusiasm also declined quickly because the East Timorese lawyers and judges were expected to study while working full time. Also, most were fresh graduates and felt trainings too strongly focused on theory instead of practice.<sup>463</sup> A Timorese employee in the Justice Department explained that the mentor’s office was located separately from East Timorese and that this was not conducive to Timorese asking questions as they arose. Also, there was no system like regular meetings or reports to encourage mentoring.<sup>464</sup>

### **The particular Timorese staff chosen to participate in training programs were frequently not the most appropriate.**

Another problem was not with the type of training but with the type of participants. In some cases they were too busy to attend, or too busy to focus fully on the training and its follow-up. One study found that East Timorese judges and prosecutors sometimes failed to attend training workshops, “Due to their lack of time and the lack of relevant courses.” While the study admitted the East Timorese required training, it noted difficulties pushing them to train while expecting them simultaneously to handle a full workload of trials.<sup>465</sup> A farcical situation arose in the Constitutional Assembly in October 2001 when one member was pushed, without his approval, to attend a week-long overseas training seminar. He complained that he was too old, too busy and his English too weak for him to get sufficient benefit from the seminar. The lack of forewarning about the seminar, and lack of details about where it was being run and what it was about, could not have helped his enthusiasm either. He only found out a day before the seminar started (the Assembly Chairperson who pushed him to attend

---

<sup>462</sup> *A Review of Peace Operations: A Case for Change, East Timor, Conflict, Security and Development* Group, King’s College London, 10 March 2003, points 248, 395.

<sup>463</sup> Babo-Soares, B., “Judiciary Development in East Timor”, in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002., pp.77-78.

<sup>464</sup> Vasco Soares, Ministry of Justice, in unpublished interview with study author, on 25 November 2002.

<sup>465</sup> Babo-Soares, D., “Judiciary Development in East Timor”, in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, pp.77-78.

the seminar still did not know these details a day after the seminar had started !).<sup>466</sup> Staff in the Ministry of Foreign Affairs were sometimes too busy to continue Portuguese lessons.<sup>467</sup> Similarly, the Development Officer in one district in East Timor complained frequently about having too many workshops in Dili to attend and not enough time for his daily tasks.<sup>468</sup> Many workshop attendees were, upon leaving the workshop, also too busy to reflect on the topic and how it could help workplace practice.<sup>469</sup> The high number of, “Offers of training, secondments and overseas visits for the higher echelon public servants”, concluded one report, posed, “A risk of concentrating capacity building on senior people rather than on the full range of workers.”<sup>470</sup> Some Timorese in important positions received too much training while other Timorese who were more enthusiastic and had more time for follow-up received little training.

The World Bank had similarly limited success in catering to the full range of capacity building needs within its programs. A World Bank report on its Pilot Agriculture Service Centre (PASC) program boasted, “Training to PASC members involved training for all levels : technical assistance for agricultural research, management of PASCs as well as the organization of workshops and study tours for PASC, research and extension staff and farmers.”<sup>471</sup> However, its CEP program was criticized. Given the World Bank’s expectation that CEP councils endorse new concepts like accountability, democracy and equality, many felt the amount of training given to council members was insufficient. One Timorese journalist suggested an increase in the amount of training for CEP council members so they would better understand their obligations and be better equipped technically to fulfill these.<sup>472</sup> One kind of guidance provided to CEP councils was ‘loan facilitators’ who helped the councils monitor and assist widow groups who had borrowed CEP money. Unfortunately the value of this guidance was questionable, since many of the facilitators, “Themselves belonged to vulnerable groups and lacked the level of empowerment necessary to help empower the participants.” Many facilitators too were motivated more by money than by

---

<sup>466</sup> Marçal, J., “Kursus di Luar Negeri Bagi Wakil Rakyat”, *Cidadaun*, No.2, week 3, Oct 2001, p.3.

<sup>467</sup> Freitas, B., UNDP-funded training coordinator with Ministry of Foreign Affairs, in unpublished interview with study author, 20 November 2002.

<sup>468</sup> Author’s 2005 recollection of a private conversation in April 2002.

<sup>469</sup> Clark, K., in unpublished interview with study author, 14 November 2002.

<sup>470</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, , East Timor : UNDP and team from other UN Agencies, November 2000, pp.97-98.

<sup>471</sup> *Project Appraisal Document on a Proposed TFET Grant for an Agricultural Rehabilitation Project*, World Bank, 14 June 2000, p.30.

<sup>472</sup> Felicidade, C.R.S., “Usul Program CEP Dirubah”, *Talitakum*, 2 April 2001, p.5.

concern for the groups and their projects, as evidenced by their frequent lack of interest in projects after their contracts expired.<sup>473</sup> Perhaps the best type of training CEP councils received was simply learning by doing. As the Chairperson of the World Bank in East Timor argued, “Electing a council and making choices between priorities represents a form of training for local democracy and governance.”<sup>474</sup>

This section of Chapter 4 has shown that teaching of skills and attitudes was sometimes flawed. There was insufficient attention paid to a key method, that of on-the-job learning, and to provision in Tetum or Indonesian language. Some particular skills were also perhaps under-emphasised, like technical skills and policy formulation. Finally, insufficient learning opportunities were given to middle-and-lower level staff, including a lack of quality training to CEP councils. It is noteworthy that while key papers in 2002 mentioned general achievements, like fundamental government structures in place<sup>475</sup> and achievements in planning for post-independence<sup>476</sup>, praise for imparting skills was hard to find.

### **Evidence that Ineffective practice number 6 stemmed from the conflicting priorities of international development institutions**

Problems in the imparting of skills and attitudes were, like many problems, rooted in conflicting priorities of international organizations. One factor contributing to the abovementioned lack of on-the-job learning for Timorese was the priority placed by international experts on getting day-to-day administrative tasks completed. One review noted that, “Although it was not made explicit in either the Secretary-General’s report of 4 October or Security Council Resolution 1272, [the UN’s] pre-mission planning had been based on a phased approach in which the immediate priorities were to be

---

<sup>473</sup> ‘Letter to Ministry of Internal Affairs from Gillian Brown, CEP Task Team Leader’, World Bank, 13 August 2002, pp.4, 22; based on CEP Supervision Mission Aide memoire, July 2002.

<sup>474</sup> Sarah Cliff, in Rodriguez, N., ‘CEP Dibangun untuk melengkapi Struktur Lain’, *Talitakum*, 7 May 2001, p.30.

<sup>475</sup> Report of the Secretary General on the United Nations Transitional Administration in East Timor, 17 April 2002, p.15.

<sup>476</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, summary findings page; accessed 9 Jan 2007. at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

security and law and order, the restoration of government services, the return of displaced persons and humanitarian assistance. The next stage was to be building an effective administration. Only then was the focus to be on capacity-building for self-government and development.”<sup>477</sup> Thus, the international mentor in the Justice Department in late 2002 had little time for mentoring as he was busy writing laws and checking drafts.<sup>478</sup> That mentor, like many, had his own private office. Being placed in solitude instead of beside a senior manager or his staff is indicative of needing concentration for doing tasks instead of needing to teach tasks. In other words, the physical office arrangements often showed that an international was prioritizing task completion ahead of teaching. Extreme cases of this prioritization were not uncommon, with expatriate personnel in some institutions having, “Assumed virtually all financial management responsibilities, marginalizing national staff who have consequently had little opportunity to learn new skills.”<sup>479</sup>

On-the-job teaching was also undermined by prioritisation of recruitment control by the UN’s DPKO. The UN peacekeeping department’s initial desire to control recruitment resulted in mentors’ lack of teaching and language skills. As shown in Chapter 3, this department had more experience with ‘doing’ tasks than teaching them, so it undervalued teaching, cultural and language skills as recruitment criteria. Consequently, international staff best placed to provide on-the-spot training – ‘mentors’ already placed alongside Timorese – often lacked teaching and language skills. Rather than provide on-the-spot training or mentoring themselves, they thus often preferred to bring in outside trainers for workshops and to organize study trips, activities which drew Timorese away from the workplace. Prioritisation of recruitment control by the UN’s DPKO in New York, at least in the first year of UNTAET, influenced the amount and quality of mentoring and other on-the-job training.

However, even after the recruitment of inappropriate staff, the negative impacts could have been mitigated. To a certain extent, UNTAET did this, by providing pre-deployment training and ongoing training for international staff. Thus, the National Planning and Development Agency’s provided, “Training of internationals in the

---

<sup>477</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, point 292.

<sup>478</sup> Soares, V., Land and Property Office, Ministry of Justice, in unpublished interview with study author on 25 November 2002.

<sup>479</sup> World Bank, ‘East Timor public administration public expenditure management and accountability note’, the World Bank East Asia And Pacific Region: Poverty Reduction And Economic Management Sector Unit, April 2002, p.58.

techniques of coaching and mentoring,”<sup>480</sup> and a language and training unit was set up in 2000 to provide training from professional linguists and trainers with expertise in East Timorese culture and history. The latter, however, did not provide training for UNPOL, one group of internationals considered most in need of such training.<sup>481</sup> As late as March 2001, UNTAET was still lacking, “An orientation package for new and existing international staff, that will sensitize international staff to the East Timorese context, culture and history”.<sup>482</sup> Moreover the study author, after serving in two capacity building postings, had never heard of the NPDA-run training and felt the language and training unit was too overstretched to provide much post-deployment training to internationals. If UNTAET had prioritized capacity building, it would have provided training to more of its international staff and this may have increased their ability to provide on-the-spot training. If this had included history training for UNTAET staff, it may even have raised their awareness that work was also needed to resolve ethnic divisions within the army and to change Timorese attitudes to dealing with government. Unfortunately, the UN busied itself with its other mandated tasks, paying insufficient attention to improving the teaching ability of its international staff.

Another international priority that conflicted with capacity building was the preference for short project and program timelines. References above to training programs being ‘ad hoc’ and insufficiently coordinated by donors suggest the planning and implementation was rushed. Reference above to FDTL institution building having ‘no clear strategy’, plus the fact that the first recruits for FDTL were only named as late as February 2001<sup>483</sup>, suggest FDTL training provision was undermined by short program timelines. With the CEP program to build local councils, one Timorese similarly observed the World Bank provided insufficient training to empower local councils and the pushed them to plan and implement projects before the people were prepared.<sup>484</sup> Even the problem of international organisations’ over-reliance on English language can be partly attributable to short project and program timelines since longer timelines

---

<sup>480</sup> *Capacity Development for Governance and Public Sector Management: Program Overview*, Dili : NPDA with support from UNDP, Aug, 2000, p.57.

<sup>481</sup> *A Review of Peace Operations : A Case for Change - East Timor Study*, Conflict, Security and Development Group, Kings College London, 10 March, 2003, points 76, 81 [see also footnote 108].

<sup>482</sup> *Capacity Development for Governance and Public Sector Management: Strategic Management Framework*, Dili: National Planning and Development Agency with support from UNDP, March 2001 (draft), p.24.

<sup>483</sup> *A Review of Peace Operations : A Case for Change - East Timor Study*, Conflict, Security and Development Group, Kings College London, 10 March, 2003, points 52, 63.

<sup>484</sup> Da Silva, G., ‘CEP : Tujuan Mulia, Kesenjangan Melebar’, *Talitakum*, 7 May 2001, p.8]

would presumably have allowed more internationals to stay in East Timor long enough to learn a local language.

A final priority that conflicted with capacity building was that selection of particular kinds of capacity building and particular groups was sometimes based on donors' preferences rather than real needs and any long term plan. This lay behind the abovementioned problems of some needs not being fully attended and of trainings being organized on an 'ad hoc' basis. A UN agency-led review thus found that, "Linkage between public institutions' needs and priorities of donors is fragmented," and, "It is apparent from the number of offers of training, secondments and overseas visits for the higher echelon public servants, that this area is extremely popular with donors."<sup>485</sup> The NGO Forum similarly worried that, "In the absence of any broad strategy or vision, donor driven, rather than East Timorese driven capacity building has been taking place."<sup>486</sup> Even after a national development plan was devised in early 2002, the NGO Forum expressed concern that the plan had, "Been required to fit with the model of the Poverty Reduction Strategy Papers (PRSP) of the World Bank and IMF," which may not have fully taken into account the special needs and conditions of East Timor.<sup>487</sup> Donors' and international finance institutes' interests in influencing the Timorese government's policies, including promotion of privatization and global market integration, have already been discussed in the first section of this chapter. These same interests may have lain behind their choices of which officials (the senior ones) and which institutions to assist.

In conclusion, three main priorities undermined the learning of skills and constructive attitudes. These were international officials' prioritization of direct government administration and other sectors ahead of teaching, prioritization of donors' political interests, and donors' prioritization of short timelines. Beginning 2001, the first two problems were reduced but not fully solved, as independence loomed, bringing with it increasing attention to UNTAET's capacity building task and to creation of a long term national development plan.

---

<sup>485</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, , East Timor : UNDP and team from other UN Agencies, November 2000, pp.97-98.

<sup>486</sup> Forum Nacional ONG Timor Lorosa'e (The East Timor National NGO Forum), "Capacity building Briefing paper to donors meeting," Canberra, June 2001; accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01juncapacity.htm>

<sup>487</sup> Fonseca, J., "Joint Statement: East Timorese and International NGOs To Dili Donors Conference," 2002-05-23; accessed 11 Jan 2005 at

[http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display\\_item=1](http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display_item=1)



## **Ineffective practice number 7 :**

### **International institutions produced a bubble economy.**

### **This drew high quality Timorese workers away from work in local institutions, tempted many local NGOs to focus on short - term thinking, and delayed building of a sustainable market.**

Attempts to build local institutions were undermined by international organisations' creation of a 'bubble economy'. A 'bubble economy', also known as an economy afflicted by "Dutch Disease", occurs when certain areas of the economy receive a sudden but unsustainable injection of money. The result of this injection is to divert planning, investment and human and non-human resources to these areas, away from institutions and economic sectors that are more important to the long term viability of the country. The areas boosted by this sudden spending injection include employment with international organizations and private enterprises catering to expatriate workers. The areas undermined in East Timor will be described below.

In Chapter 1, this study identified the need for international organisations to assist local institutions with the recruitment and retention of quality staff. However, international organisations often in fact did the opposite, by offering high wages that drew quality staff away from local institutions. In addition, inflation resulted from this wage pressure, making business planning difficult. These were just two of the problems caused by the 'Bubble economy' in East Timor.

### **International institutions drew high quality Timorese away from work in local institutions.**

The evidence below suggests not only that there was a shortage of skilled staff in the Timorese institutions, in particular the Government-in-waiting (the East Timor

Transitional Authority), but also that this was partly due to wage competition from international organizations.

There was a skills shortage in many areas. One major study reported sufficient numbers of Timorese graduates in agriculture, fisheries, forestry and allied health work (ie. midwifery) but noted, “Other areas are facing severe shortages of qualified East Timorese.”<sup>488</sup> The lack of qualified high school teachers meant teachers had to be selected from university graduates, university students who had completed 5-6 semesters of a university program, or primary school teachers who did well in the primary school test. Even these were insufficient in number to fill all vacancies by 2002!<sup>489</sup> Similarly, of eight East Timorese appointed to the judiciary in January 2000, none had had experience on the bench.<sup>490</sup> Finding appropriately skilled applicants to fill senior management positions was especially difficult. In December 2000 there was widespread concern that less than 10 % of these positions had been filled by East Timorese.<sup>491</sup> Nearly a year later, another major study noted, “There has been no difficulty in attracting qualified candidates at the lower levels but it has not been as easy at the senior levels. In some key sectors candidates have little management or technical experience and selection has been based on candidates’ ... potential for development into senior roles.”<sup>492</sup> The World Bank similarly noted in 2002 that, “Apart from teaching and nursing administrators, middle to higher level staff usually had to be recruited with lower qualifications and experience than originally envisaged.”<sup>493</sup> There were certainly many offices facing skills shortages. The question is whether international organizations contributed to this problem.

Sometimes, well qualified Timorese did not apply to join the civil service because they were able to get higher paid jobs with international institutions. As early as November 1999, international NGOs agreed upon a code for pay and conditions for their local staff. A review of UNTAET observed, however, that this did not stop the flow of skilled locals from the local civil service to international organizations, particularly to

---

<sup>488</sup> “Building Blocks for a Nation : The Common Country Assessment for East Timor”, Dili : UNDP and UN Country Team, November 2000, p.97.

<sup>489</sup> World Bank, *East Timor : Policy Challenges for a New Nation*, 2002, p.61.

<sup>490</sup> Clausen, L., ‘Under Clearing Skies’, *Time International*, Vol.155, No.24, 19 June 2000.

<sup>491</sup> ‘Background paper for Donors’ Meeting on East Timor’, Executive Summary, UNTAET and World Bank, 5 December 2000, p. 1.

<sup>492</sup> World Bank and UNTAET, *Background Paper for Donors’ meeting on East Timor*, Canberra, Australia, 14-15 June 2001, p.14.

<sup>493</sup> East Timor : Policy Challenges for a New Nation, Dili :World Bank, 2002, p.107.

those which ignored the code: the high-paying UN, donors and international finance institutions.<sup>494</sup> Not only did the East Timor Transitional Administration pay poorly relative to international organizations like the World Bank but also its wage scale was simplistic and did, “Not permit extending differential wages to workers with various levels of experience within each skill.”<sup>495</sup> The results of this wage differentiation were predictable. In 2000, the principal of one junior high school noted, ‘Actually there are a lot of teachers but at the moment they all want to work with international NGOs so they’ve just forgotten their profession as teachers.’<sup>496</sup> In the same month, a journalist similarly observed, “Already many teachers have left the profession to accept better paid jobs with foreign aid agencies or the UN, working as translators and office workers.”<sup>497</sup> An UNTAET review in 2001 expressed concern that, “There is increasing competition for East Timorese from non-government sources that typically pay higher salaries against which government has difficulty competing”.<sup>498</sup> The high wages offered by international institutions undermined the East Timorese civil service’s ability to attract skilled staff.

However, the bubble economy and the resultant high wages in international institutions were not the only factor undermining local institutions’ ability to attract skilled staff. In some cases, poorly qualified East Timorese were recruited into the transitional administration because the particular skills being sought did not actually exist amongst Timorese, or because East Timorese with such skills had chosen to live in Indonesia. Another factor was simply that sometimes better qualified applicants applied for vacancies but lost out against applicants who actually lied about their qualifications. Also, many experienced Timorese civil servants had avoided re-entering the civil service because of pride and resentment of international domination rather than because of its relatively low wages. For example, some experienced Timorese resented the lack of involvement of East Timorese in UNTAET’s earliest recruitment drives, and also felt their selection chances were lessened by job criteria which, “Emphasized

<sup>494</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, point 146.

<sup>495</sup> “East Timor, Recent Developments and Macroeconomic Assessment”, IMF to Brussels Donor Conference, Dec.2000, p.4, found at World Bank website, [http://lnweb18.worldbank.org/eap/eap.nsf/Attachments/IMF-WB+economic+assessment/\\$File/IMF-WB+economic+assessment.pdf](http://lnweb18.worldbank.org/eap/eap.nsf/Attachments/IMF-WB+economic+assessment/$File/IMF-WB+economic+assessment.pdf)

<sup>496</sup> ‘Outubru Eskola Hahu, Maibe Susar atu Buka Maestri Hanorin Exacta’, *Lalenok*, 2 September – 2 October 2000.

<sup>497</sup> Dodd, M., ‘Classroom crisis as teachers quit,’ *Sydney Morning Herald*, 10 October 2000, p.11.

<sup>498</sup> *Capacity Development for Governance and Public Sector Management: Strategic Management Framework*, Dili: National Planning and Development Agency with support from UNDP, March 2001 (draft), p.5.

communication in English and Portuguese.”<sup>499</sup> Others may have been reluctant to work beneath international UN administrators whom they viewed as overpaid and domineering. Some may have felt it more dignifying to wait and hope for a position after international presence waned in the civil service.<sup>500</sup> Perhaps the UN should have taken more steps to reduce the above risks to effective recruitment.

Experienced administrators were also reluctant to apply for certain politically important positions because they felt whoever won the position would not be there long. Timorese predicted that senior managers who had no historical connections to the Fretilin Party would be replaced after independence in May 2002 (or after the Constitutional Assembly elections of August 2001) by those who did. The vacancy for the top position in the ETTA Cabinet Secretariat in July 2000, for example, drew applications from people with experience no higher than sub-district head (except for one district head who was widely known to be pro-Indonesian and therefore, despite his experience, was felt to be unlikely to gain sufficient cooperation from locals to serve effectively in the position) yet locals were sure there were suitable candidates available who had simply chosen not to apply.<sup>501</sup>

The expectation that people in senior government positions would be replaced by others with Fretilin party connections not only caused a lack of quality applications for certain vacancies but also undermined other aspects of institutional capacity building. The lack of suitable applicants for the senior Cabinet Secretariat position meant the recruitment process was delayed and this in turn meant that when the position was finally filled in the final months of UNTAET, there was little time and were fewer resources available to provide capacity building for him. Many East Timorese who won senior positions, or who held lower level positions but expected to gain a better position after independence, viewed their job as only temporary. This, in turn, affected their commitment to building their own capacity and that of their office. One senior member of the Cabinet Secretariat who was frequently absent explained that he was expecting to transfer to the Constitutional Assembly after the elections of August 2001 while another was expecting to transfer to a senior position in the Ministry of Economics. Of three East Timorese appointed as Cabinet ministers just prior to the

---

<sup>499</sup> *Capacity Building for Governance and Public Sector Management, Appendix and Documents*, East Timor : National Planning and Development Agency, with support from UNDP, August 2001, pp.96-98.

<sup>500</sup> Downie, S., AusAID, in *Australia's Role in United Nations Reform*, Joint Standing Committee of Foreign Affairs and Trade, Australian Parliament, Canberra, June 2001, p.99.

<sup>501</sup> Private conversations with the author in the Cabinet Secretariat in July 2001.

Constitutional Assembly elections of August 2001, two were non-Fretilin and therefore not expected to retain their positions after the elections.<sup>502</sup> Staffing quality was therefore affected by the timing of recruitment, since later recruitment meant less time for training and adjusting to the new job before independence.

The higher wages offered by international organizations undermined the human resource base not only of the civil service but also of local NGOs. Indeed, in some ways a lack of quality staff was a bigger problem for local NGOs than for the civil service because, as the program manager of one local NGO observed, their long term survival depended on the quality of their personnel.<sup>503</sup> The Manager of one of East Timor's longest established local NGOs, Bia Hula, noted that his staff received training, "But often they look for better work. Bia Hula doesn't pay as much as UNICEF and international institutions."<sup>504</sup> In June 2001, East Timor's NGO Forum argued that since, "NGOs are working hard to build continuity and capacity of their organisations at salaries that cannot compete with those of UN agencies, ethics need to be developed and adhered to around such UN agencies making offers to East Timorese staff working for partner NGOs." They further implied that UN agencies not only tempted skilled locals away from local NGOs but also pressured them to leave their local NGO at extremely short notice.<sup>505</sup>

In summary, the bubble economy and the resultant high wages in international institutions did undermine recruitment and retention of quality staff for the civil service and local NGOs. However other factors also undermined staff quality in local institutions, particularly in the civil service. These factors included experienced civil servants' unwillingness to apply for senior positions due to fear of being rejected based on language capacity, fear of being mistreated by overpaid and sometimes overbearing international staff, and fear of being replaced after independence by politically motivated appointments.

---

<sup>502</sup> Private conversations with the author in July 2001; also study author's personal observations while visiting old acquaintances in the Cabinet Secretariat in 2002.

<sup>503</sup> "Centro Desenvolvimento da Economia Popular", *Talitakum*, 24 Feb. 2002, p.19.

<sup>504</sup> Antonio Amaral, Director of HTO, in unpublished interview with study author, October 2002.

<sup>505</sup> Forum Nacional ONG Timor Lorosa'e, "Capacity building Briefing paper to donors meeting," Canberra, June 2001; accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01juncapacity.htm>

**International institutions produced a bubble economy that tempted many local NGOs to focus on short term ‘project-chasing’ rather than long term planning.**

The bubble economy was not always good for local NGOs’ sustainability or their ability to meet communities’ needs. A program manager for one local NGO felt that for an NGO to survive and continue to offer quality programs, it needed to have a clear vision and mission.<sup>506</sup> Unfortunately, local NGOs were dependent on foreign funding and were therefore often felt the need to tailor their plans to the aims of international organizations.<sup>507</sup> One of many examples of this donor pressure was a local permaculture NGO’s inability to go ahead with a train-the-trainer program for farmers due to a lack of funding.<sup>508</sup> Another example came from Asosiasi Creche, a local NGO whose coordinator complained in 2002 that he could not adopt any policies without first informing the Dutch NGO that provided the funds.<sup>509</sup> In contrast, in 2000 one Timorese friend of the author started up a new NGO for physically disabled people – motivated partly because there was donor funding available for this target group. A UN employee similarly noted that existing local organizations might be tempted to serve donor goals, like gender equity and de-centralisation of resources to outlying areas, rather than their own.<sup>510</sup> With donors offering funds only for certain sectors of aid work and certain groups of beneficiaries, local NGOs were often tempted to move into sectors or target groups outside their original mission and area of expertise. A wide-ranging report on civil society in November 2000 found that local NGOs often took on too many projects or took on projects without specialising in any particular area. This problem, the report reasoned, stemmed from too much ambition, too much susceptibility to donor influence and a lack of policies to define their own specific role. Timorese NGOs needed, the report continued, to focus and specialize on one or two areas”.<sup>511</sup>

---

<sup>506</sup> Jose Jaquelino, head of CDEP, in Calado, M., “Centro Desenvolvimento da Economia Popular”, *Talitakum*, 24 Feb. 2002, p.19.

<sup>507</sup> Gabrielson, K., *Aid ?*, 1 July 2002, p.4, accessed July 2003 at <http://www.etan.org/etanpdf/icwa/cg-19.pdf>

<sup>508</sup> Fatima Lemos, E., ‘Pemberdayaan Ekonomi Kerakyatan, *Verde*, 4 July 2001, p.8.

<sup>509</sup> Crist, “Asosiasi Creche 12 November perlu Dapat Suntikan Dana dari Pemerintah”, *Lian Maubere*, 20 March 2002, p.11.

<sup>510</sup> Larke, B., private email to study author, 29 Sept ’05.

<sup>511</sup> Brunnstrom, C., *Loron Aban Hahu Ohin - The Future is Today*, Report on the Relationship between Timorese and International NGOs in East Timor, Dili :Oxfam, November 2000, p.11.

In some cases, the bubble economy encouraged the creation of NGOs that had no committed staff or had no original mission. One East Timorese journalist felt some East Timorese were organising local NGOs without having a vision of the long term contribution of such NGOs. They were motivated more, he suggested, by a desire to get their own piece of the international funding pie and they were confident they could get away with doing little or no work as long as their final report to the donor looked good. These opportunist East Timorese, he concluded, were undermining public confidence in NGOs.<sup>512</sup> The country manager of an international NGO similarly commented that NGOs should start as groups of volunteers who see a particular need but in East Timor many NGOs had started up simply because money was available.<sup>513</sup>

International organisations' overzealous outpouring of funds thus sometimes undermined institution building by tempting local NGOs to lose their focus and by funding some unworthy local NGOs whose lack of commitment ended up damaging the reputation of NGOs in general.

### **International institutions produced a bubble economy that delayed building of a sustainable market.**

International institutions' activities directed entrepreneurial energy to short term projects, causing a delay in much of the long term market building. What's more, they were fully aware of this effect both before and during their intervention in East Timor. The danger of "Dutch Disease", mentioned in Chapter 1 and a feature of UN involvement in Cambodia, was known long before the UN's 1999 arrival in East Timor. Following the handover of power in East Timor to the UN, a major UN-World Bank study warned as early as November 1999 that well-paid UN staff would create, "Demand for urban services and other non-traded goods and services, labor costs increase, hampering the competitiveness of the economy and leaving it without a sector capable of earning or saving foreign exchange. Income earning becomes increasingly skewed towards the urban and more upscale segments of the population. This situation becomes particularly serious once the UN mission leaves."<sup>514</sup> The

---

<sup>512</sup> Da Costa, Z.F., "Almarhum Lembaga Swadaya Masyarakat", *Talitakum*, 1 Feb.2002, p.27.

<sup>513</sup> Sineke Martin, Caritas Australia, in unpublished interview with Study Author, 17 October 2002.

<sup>514</sup> Joint Assessment Mission, "Macro Economics background Paper", *East Timor : Building a Nation – a Framework for Reconstruction and Development*, World Bank and UN :Dili, 1999, p.6

question was how much these distortions would undermine local businesses' ability to sustainably make profits.

Whilst the previous section showed how the high wages paid by international institutions undermined recruitment for the civil service and local NGOs, it also undermined private enterprises. The high wages paid by international organizations, warned one expert, risked driving up domestic wages, "To levels that deter prospective businesses." In early 2000, wages for drivers employed by international organizations were five times higher than wages for those employed by domestic organizations. For messengers and cleaners, wages were ten times higher.<sup>515</sup> Two years later, the Asian Development Bank was warning that, "Wages that are well above previous levels may create artificially high reservation wages in the ... private sector."<sup>516</sup> Local businesses would have had difficulty with long term planning and indeed with profit-making while wage rates remained artificially high and while more skilled local staff were continually eyeing off opportunities with the highest-paying organizations, the international ones.

A second hindrance to sustainable business development was that most of the money from the bubble economy put actually left the country. In May 2002, one local NGO observed, "UNTAET did not significantly address the development of East Timor's economy. The Mission itself spent less than 1% of its budget on East Timorese staff, with the vast majority of the \$2 billion it received going out of East Timor to international staff's families, imported equipment, or tax-exempt foreign businesses."

<sup>517</sup> This money was sent out of East Timor not just by individual expatriates but also by international organizations, which at times seemed disinterested in buying local products. World Bank programs to provide furniture for schools favoured importing the furniture yet, after East Timorese leaders argued to allow some locally-produced furniture to be bought under the program, this furniture turned out to be more quickly available and superior in quality. Another World Bank program to build nine model schools specified that the contractors must use imported materials and have assets of US \$ 100 000. This ruled out all but a couple of local businesses and meant any future

---

<sup>515</sup> Saldanha, J.M., "The Transition of a Small War-Torn Economy into a New Nation : Economic Reconstruction of East Timor," *Bitter Flowers, Sweet Flowers*, Tanter, Selden and Shalom (eds), Oxford : Rowman and Littlefield, 2000, p.232

<sup>516</sup> Asian Development bank, *Asian Economic Outlook*, New york : Oxford Uni Press, 2002, p.130.

<sup>517</sup> 'East Timor Faces Post-UNTAET Challenges: What is to be done?', *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.



copying of the 'model schools' would favour foreign businesses and foreign materials.

<sup>518</sup> Thus the program, "Employed expensive outside services when local alternatives were available, generating profits for foreign companies instead of local employment and building local capacity."<sup>519</sup> Another notorious example was bottled drinking water. The UN paid \$4 million in 2000 for imported drinking water, though it was estimated that if the local bottled-water company had been given the UN contract, 1,000 jobs would have been created and the containers could have been more easily recycled.<sup>520</sup> The findings of a joint review by UN agencies were not surprising: "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 channeled to foreign firms operating hotels and restaurants."<sup>521</sup>

The bubble economy undermined sustainable business development in a third way. Business people spent their energy building a market that was focused on serving internationals' needs because these were the group with the spare money. This was a market destined to collapse as the international presence in East Timor scaled down. As one report noted, "Rather than sustainable growth... an enclave economy has come into existence."<sup>522</sup> The short-term nature of the market being created by the UN seemed to be recognized even by the UN Secretary-General. In 2001, he noted economic growth had mainly occurred, "In service sector enterprises and in trade and construction related to donor-funded reconstruction programmes."<sup>523</sup> One local NGO summarised the UN's economic impact, observing that the vast majority of the US \$2 billion spent by UNTAET went, "Out of East Timor to international staff's families, imported equipment, or tax-exempt foreign businesses. The small commercial sector that has developed here – restaurants, car rental companies, hotels, supermarkets for expatriates – is usually foreign owned; many will close up as soon as the overpaid,

---

<sup>518</sup> Gabrielson, K., 'Aid ?', 1 July 2002, p.5, accessed July 2003 at <http://www.etan.org/etanpdf/icwa/cg-19.pdf>

<sup>519</sup> East Timor Faces Post-UNTAET Challenges: What is to be done? *The La'o Hamutuk Bulletin*, Vol. 3, No. 4: May 2002. (also see LH Bulletin Vol. 2 No. 4).

<sup>520</sup> Gabrielson, C, "First Impressions of the UN in East Timor," accessed in December 2003 at <http://www.etan.org/etanpdf/icwa/cg-04.pdf>

<sup>521</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, p.28.

<sup>522</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, p.28.

<sup>523</sup> Interim report of the Secretary-General on the United Nations Transitional Administration in East Timor S/2001/436, 2 May 2001, p.2.

free-spending international staffers are gone.”<sup>524</sup> In effect, the bubble economy directed entrepreneurial energy to short term projects, causing a delay in much of the long term market building.

Even if it is argued that the diversion of entrepreneurial energy towards short term projects could not be wholly avoided, there were many steps which could have simultaneously been taken to prepare for sustainable private enterprise. In particular, little legislation was passed to support sustainable private enterprise. One expert, writing 6 months after East Timor’s reconstruction began, urged UNTAET to establish mechanisms to resolve land disputes, and begin land reform to allow private ownership of communal land.”<sup>525</sup> Similarly, the Asian Development Bank noted that two regulations were drafted to formally register and license its Microfinance Bank but these were not passed in time by the UNTAET Cabinet and National Council before the above two bodies were dissolved on 15 July 2001.<sup>526</sup> These pieces of draft legislation were in fact only two out of some forty submissions hurriedly finished and presented by planners to Cabinet and the National Council in the hectic final month before 15 July 2001. Cabinet at that time was only approving around four or five submissions per week so the bottleneck in draft legislation waiting for approval in July was entirely predictable.<sup>527</sup> Perhaps legislation drafters should, anticipating the mid 2001 log-jam to pass legislation, have presented the submissions long before this.

Besides legislation, business management education could have been provided to East Timorese to counter the bubble economy’s diversion of entrepreneurial energy towards short term projects. The business sector during the Indonesian occupation had been dominated by Indonesians so few East Timorese had the knowledge or indeed the capital to develop a strong business. This had been partly due to disadvantages which no longer applied, like Indonesian dominance of many business sectors in East Timor,<sup>528</sup> but was also partly due to East Timorese cultural traits which favoured sharing

---

<sup>524</sup> East Timor Faces Post-UNTAET Challenges: What is to be done? *The La'o Hamutuk Bulletin*, Vol. 3, No. 4: May 2002.

<sup>525</sup> Saldanha, J.M., “The Transition of a Small War-Torn Economy into a New Nation : Economic Reconstruction of East Timor,” *Bitter Flowers, Sweet Flowers*, Tanter, Selden and Shalom (eds), Oxford : Rowman and Littlefield, 2000, p.237-238.

<sup>526</sup> ‘TFET Update No.13,’ World Bank, 22 Oct 2001, accessed Dec 2002 at [www.worldbank.eap](http://www.worldbank.eap).

<sup>527</sup> Study author’s direct experience while working in the Cabinet Secretariat during this period.

<sup>528</sup> Environmental NGO, Down to Earth, noted in 1999 that, “Large profits were made from East Timor’s resources by Indonesian companies,” who dominated industries like sugarcane, marble, timber and hotels.

See Down to Earth No. 42, August 1999, “East Timor: the opportunity for a sustainable future”, accessed June 2005 at <http://dte.gn.apc.org/42ET.htm>

ahead of savings accumulation and private profit-making. Moreover, while Timorese were experienced at planning for events in the agriculture cycle, like planting for future harvesting and storing food for the ‘hungry season’, they were less adept at planning for aspects of business like appropriate pricing and continuous supply and turnover of stock. As late as June 2002, despite nearly three years of internationally led reconstruction, the International Labour Organisation noted that, “Entrepreneurial ... skills are lacking in every sector of the East Timorese economy.”<sup>529</sup> Two years later, even East Timor’s Prime Minister still identified a, “Need for assistance to change the agrarian mentality of Timorese to a more businesslike entrepreneurial mindset.”<sup>530</sup> The bubble economy’s damaging diversion of resources to unsustainable business projects could have been offset. Institution builders could have taken quicker action on legislation and business management education to support longer term economic development.

### **Evidence that Ineffective practice number 7 stemmed from the conflicting priorities of international development institutions**

The bubble economy did impact negatively on institution building in East Timor. It undermined recruitment and retention of quality staff for the civil service and local NGOs, tempted some local NGOs to focus on short term thinking and delayed building of businesses that had a long term orientation. These problems could have been minimised by spreading the spending over a longer period and by taking steps to address each of the main three problems individually. The fact that these problems were not seriously tackled suggests that international organizations had conflicting priorities.

The previous page noted that UNTAET alone spent US \$2 billion by 2002. This spending could have been spread out over a longer period to minimize the bubble economy effect, allowing international and local institutions to plan more long term. However, as noted in Chapter 1, donors generally favoured short spending timeframes,

<sup>529</sup> ‘East Timor: A new labour code for the world’s newest country’, *World of Work*, No. 43, June 2002; accessed January 2007 at <http://www.ilo.org/public/english/bureau/inf/magazine/43/timor.htm>

<sup>530</sup> ‘UNIDO in Timor-Leste’, Dili: UNIDO, 14 - 15 September 2004, accessed July 2006 at <http://www.unido.org/index.php?id=o27600>

partly to meet their own budget-planning priorities and address domestic and international political interests like spending while a country was still in the world media spotlight. The UN Security Council too was said to have limited patience with involving the UN in nation-building.<sup>531</sup> Indeed, while the head of UNDP in East Timor hoped the emerging nation would be given extra sympathy, one U.N. spokeswoman warned that, "Once an item is off the agenda there is a tendency by member states to become a bit lazy in coming through with the funds."<sup>532</sup> The Country Director of one international NGO still felt in November 2002 that some donors remained too focused on short term projects and that genuine capacity building required continual contact over a long period of time.<sup>533</sup> Institution building, and the long term planning it required, sometimes conflicted with donors' shorter term priorities.

Conflicting priorities also seems to explain why donors did not address particular problems like undermining of recruitment and staff retention in local institutions. They were certainly made aware of these problems, for example when a donors' meeting in December 2000 was told that slow recruitment of senior civil servants was due partly to higher salaries offered by agencies, donor missions and NGOs.<sup>534</sup> Partial solutions had been available, like the NGO Forum's suggestion to develop a recruitment code of ethics.<sup>535</sup> One World Bank paper conceded that, "Inadequate attention was given to the impact of wage-setting by the UN and other international institutions (including the World Bank) on the local labor market and civil service recruitment." According to the paper, the problem had been a predictable one but had a partial solution: "This is an adverse impact of international aid flows that dogs many post-conflict recovery efforts, and would have benefited from a strong drive for a coordinated policy linked to market conditions early on."<sup>536</sup>

Few sources speculate why international institutions did not seriously attempt the above two partial solutions or other potential solutions to wage competition problems.

<sup>531</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King's College London, 10 March 2003, point 30.

<sup>532</sup> <http://www.etan.org/et2001b/june/10-16/13world.htm>

<sup>533</sup> Clark, K., in unpublished interview with study author, 14 November 2002.

<sup>534</sup> United Nations Transitional Administration in East Timor and the World Bank, *Background Paper for Donors Meeting on East Timor*, Brussels, 5-6 December 2000, p.11.

<sup>535</sup> Forum Nacional ONG Timor Lorosa'e (The East Timor National NGO Forum), "Capacity building Briefing paper to donors meeting," Canberra, June 2001; accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01juncapacity.htm>

<sup>536</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, p.4. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

The most likely reason is that internationals prioritized putting skilled local staff in their own organizations ahead of putting skilled local staff in local organizations. This drawing of skilled local staff could still be argued to be pro-institution building if the staff were working on institution building programs, however many staff in international organizations worked on relief distribution, security, civic education, family income generation or other programs not directly related to institution building. In these cases, it is even clearer that international organizations prioritized other sectors ahead of institution building.

The tempting of local NGOs towards short-term thinking was a problem that could have been partly addressed, like the whole bubble economy problem, by donors spreading spending out over a longer period. This would have allowed a greater number of long term programs, in turn giving long term planning impetus and funding security to local NGOs. It would also have given donors time to identify and withhold funding from less committed NGOs instead of being in a rush to spend funds. UNDP noted that mechanisms to preserve long term support for civil society organizations could have been put in place to move them away from short-term thinking, but by August 2002 this had not been done.<sup>537</sup> We have seen that donors instead favoured short term political objectives and budget execution expedience.

A second conflicting priority also contributed to this tempting of local NGOs towards short-term thinking. Donors had their own non-negotiable sectoral and target group priorities. For example, one report noted that up to November 2000, “Energies and funding have been focused on emergency and rehabilitation needs... [and UNTAET’s] quick impact projects and other community-based projects, such as the Community Empowerment Project (CEP) ... are targeted at the community as a whole, rather than focusing on one category of people (i.e returnees).<sup>538</sup> Some donors had chosen sectors and target groups with minimal consultation with locals.<sup>539</sup> Some had clear ideological agendas to pursue, like the World Bank’s abovementioned promotion of privatization and cash crop production. This meant if a local NGO had a long term vision or plan that did not match donor funding priorities, their program was unlikely to be funded. Donors were aware of this pressure. The NGO Forum had told donors in June 2001

---

<sup>537</sup> UNDP, *Situation Analysis of Civil Society Organisations in East Timor*, Dili, 2002, p.54.

<sup>538</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, pp.13, 15, 41.

<sup>539</sup> *Brunnstrom, C., Loron Aban Hahu Ohin - The Future is Today, Report on the Relationship between Timorese and International NGOs in East Timor, Dili :Oxfam, November 2000, p.11.*

that, “The highly reactive funding ... environment in which East Timorese NGOs and other civil society actors are currently working makes sustained long term planning extremely difficult.”<sup>540</sup> The Forum added that local organisations providing counseling for traumatized children and vocational training for youth were among those receiving insufficient support from donors.<sup>541</sup> If donors had allowed local NGOs more input into who was assisted and in what sectors, rather than pursuing agendas like privatization that were sometimes ideologically driven, perhaps more local NGOs could have kept to their original vision and sectoral focus.

In allowing the bubble economy to build an enclave economy and delay building of a sustainable market, internationals were essentially serving their own individual and organizational interests. The World Bank had predicted that, “Building a sustainable economy ... could prove difficult given low per capita income ... [and] market distortions caused by a large international presence.”<sup>542</sup> One of its papers argued that reconstruction would have benefited from a strong drive for a coordinated policy linked to market conditions early on.<sup>543</sup> Yet instead of using more local goods and services to boost local income, international organizations spent heavily on imported goods and expatriate workers. Instead of a coordinated policy to buy local and to boost local product quality and supply, much of the aid from donors like AusAID and JICA was conditional on products and services actually coming from the donor country.<sup>544</sup> The World Bank presented neoliberal reconstruction solutions, designed to open East Timor up to foreign investors, while providing insufficient structural supports for local businesses to compete. Observers noted that, “With few obstacles in their way, Australian and other businessmen have been quick to take advantage of the open economy by providing all manner of goods and services for international workers in East Timor.”<sup>545</sup> In 2000, there were, “Complaints that the international bidding

<sup>540</sup> Forum Nacional ONG Timor Lorosa'e, “Capacity building Briefing paper to donors meeting,” Canberra, June 2001; accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01juncapacity.htm>

<sup>541</sup> Forum Nacional ONG Timor Lorosa'e, “ET NGO paper for Donors' Conference June 2001,” Canberra June 2001, accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01junetngopaper.htm>

<sup>542</sup> World Bank Helps East Timor To Prepare For Independence, News Release No:2001/139/EAP, Washington, 1 December 2000, accessed Nov 2006 at <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,contentMDK:20014625~menuPK:34466~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

<sup>543</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, p.4. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>544</sup> ‘Japanese Aid to East Timor’, *Lao Hamutuk Bulletin*, Vol. 3, No. 6: August 2002. See also, ‘Analyzing Australian Assistance to East Timor’, *La'o Hamutuk Bulletin*, Vol. 3, No. 8, December 2002.

<sup>545</sup> Candio, P., and Bleiker, R., “Peacebuilding in East Timor,” *The Pacific Review*, Vol.14, No.1, 2001, p.74.

process required for major donor projects has disadvantaged local businesses.” In response, ADB took steps to increase the involvement of East Timorese companies in the bidding process for TFET-funded rehabilitation activities but they seemed unlikely to win many contracts as, it was noted, “East Timorese contractors lack expertise to provide international quality of services”.<sup>546</sup> A bubble economy was allowed to develop and undermine the building of local businesses because of two conflicting priorities. International organizations prioritized a free market. Many also prioritized recycling funds to donor countries and, when making purchases, prioritized higher quality goods and services, meaning from outside East Timor, while making insufficient effort to improve the quality of local goods and services.

In summary, international organisations allowed the bubble economy to draw high quality Timorese workers away from work in local institutions, to tempt many local NGOs to focus on short-term thinking, and to delay building of a sustainable market. International institutions could have reduced the damaging impacts of the bubble economy by spreading their spending over a longer period, by developing a coordinated approach on the local labour market, including a recruitment code of ethics, by creating more incentives and opportunities for local NGOs to retain their original specialization, and by spending more of their money on local people and products. They did not take these preventative measures because many had other priorities that conflicted with institution building, like short spending timeframes, attracting skilled local recruits to their own international organization, pursuing their own non-negotiable and sometimes ideologically driven assessment of local needs, and spending on overseas goods and workers. International organizations had predicted that the bubble economy would undermine sustainable institution building, and they allowed it to do so.

---

<sup>546</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, pp.48, 84.

## **Ineffective practice number 8 :**

### **The quality of monitoring and evaluations of capacity building programs (including the quality of performance indicators) was frequently poor.**

In Chapter 1, best practice advocates favoured increasing aid agencies' accountability through improved monitoring, evaluation and transparency. The issue of transparency was discussed in Chapter 3 of this study. The issue of monitoring and evaluating institution building will be discussed now.

Good quality monitoring and evaluation of institution building can serve to provide guidance and motivation for improved outcomes. Even before the monitoring and evaluation takes place, the mere existence of a schedule and set of success indicators for monitoring and evaluation can provide guidance and motivation both for capacity builders and for local institutions.<sup>547</sup> Did all institution building programs in East Timor have such a schedule and success indicators? If so, did these and the resultant monitoring and evaluation provide useful motivation and guidance? An examination of monitoring and evaluation from 1999 to 2002 reveals that success indicators were often lacking in detail or difficult to measure objectively, and departments were left largely to monitor themselves.

The earliest assessment of institutional needs was made by a World Bank-led team of stakeholders, called the Joint Assessment Mission (JAM). Each of its various sectoral reports, released in November 1999, aimed not to provide success indicators but to constitute, "Merely an informative document to aid in understanding of the situation in East Timor." As such, it did contain recommended actions, some of which I have gathered in Box 2 below.

---

<sup>547</sup> Hopkins, T.J., *Handbook on capacity assessment methodologies: an analytical review*, UNDP, 1994. In Ch.1 of this handbook, it is noted that, "The challenge is to reduce the elements of institutional capacity to a meaningful set of indicators that can be measured with some consistency and comparative significance." Accessed July 2006 at <http://magnet.undp.org/cdrb/CAPMET~1.htm>



## Box 2

Sector	Recommended actions / next steps (samples only)	Organization responsible	Time frame
Infrastructure <sup>548</sup>	<p>A. Repair and equip the Dili water Office and key regional offices.</p> <p>B. Many farmers' irrigation systems have been damaged and are not functioning well and will need frequent rehabilitation.</p> <p>C. (Electricity) Tariffs need to be declared in order for a debt to be raised with customers.</p>	not specified	not specified
Agriculture <sup>549</sup>	<p>D. Formal relations should be established with appropriate international agricultural institutes: the International Rice Research Institute (IRRI), the International Centre for Research on the Semi-Arid Tropics (ICRISAT), and International Centre for Agroforestry (ICRAF).</p> <p>E. UNTAET should establish a Department of Agricultural Affairs...It should also establish an independent agricultural institute.</p> <p>F. Re-establishment of an agricultural/rural livelihoods database.</p>	<p>not specified</p> <p>UNTAET</p> <p>international agriculture specialist</p>	<p>not specified</p> <p>not specified</p> <p>3 months per year for 3 years</p>
Health and Education <sup>550</sup>	G. Develop a health policy framework	Transitional government	not specified

<sup>548</sup> *Building a Nation : A Framework for Reconstruction and Development*, World Bank-led 'Joint Assessment Mission', November 1999. Infrastructure Background Paper, Pp.16-17, 22.

<sup>549</sup> *Building a Nation : A Framework for Reconstruction and Development*, World Bank-led 'Joint Assessment Mission', November 1999. Agriculture Background Paper, Pp. 5-6, 16.

	and national strategy.		
	H. A 1990 plan to move the University of East Timor (UNTIM) to Hera, next door to the Polytechnic, could be implemented.		
	I. A monitoring and evaluation unit, directly responsible to the education administration, would develop a national education management information system.		

However, many of the recommended actions or steps were hidden in the text of the documents, few specified a time frame or organization responsible, and some actions like developing a health policy framework were very broad but were accompanied by no detailed sub-steps to guide institution builders. Furthermore, it would be difficult for future monitors to objectively measure whether some actions had been successfully completed, like ‘Repair and equip’ various water offices. Even if monitors could see clearly that services had clearly been established and documents written, the JAM papers offered few indicators for assessing the actual quality of the services or documents. The JAM met its own humble aims of providing information and direction for planners but its papers were not intended to be used as a monitoring tool. The JAM should have been followed immediately by internationally funded efforts to list success indicators for building the various Timorese institutions. Instead, the JAM reports remained the main guiding documents for institution builders for the next seven months and these provided no formally agreed targets for monitoring capacity building.

By June 2000, there was at least recognition of gaps in monitoring, with pressure for, “Strengthening the development of measurable work plans, indicators and targets for both the reconstruction program and civil service capacity building.”<sup>551</sup> A month later, first East Timor Combined Sources Budget was published, detailing how money

<sup>550</sup> *Building a Nation : A Framework for Reconstruction and Development*, World Bank-led ‘Joint Assessment Mission’, November 1999. Health and Education Background Paper, Pp.4, 7, 10.

<sup>551</sup> World Bank and UNTAET, *Background Paper for Donors Meeting on East Timor*, Libon, Portugal, 21-23 June 2000 (final draft), p.1

allocated to the fledgling Timorese administration would be spent and summarising plans for each government office. Most offices briefly described targets and how achievement of these targets would be measured. Some targets were specific and related to capacity building, like ‘the establishment of a Land Registry Office with a public counter in Dili.’ Other targets were could not be monitored objectively, like the Investment Institute’s undertaking to “publish literature on investment” and the Judicial Affairs Unit’s undertaking to, “Establish a legal drafting capacity.” Many offices, like the Cabinet Secretariat and the Central payments Office, did not present any performance targets at all.<sup>552</sup> The 2000-2001 Combined Sources Budget added little to planning and monitoring for institutional capacity building.

A major assessment of reconstruction progress , the “Common Country Assessment for East Timor”, was published by a consortium of UN agencies in November 2000. This consulted widely with international and local representatives. It looked at the same sectors and needs as those in the November 1999 JAM Report, as well as many others like livelihoods and the environment. However, it did not examine, one by one, whether the recommended actions in the JAM had been implemented or which organisation or office was responsible for any successes or failures. Nor did it provide many detailed steps for achieving future aims. After examining infrastructure problems, for example, the report concluded, “Training of local managers, engineers and technicians is essential”. It gave no details of the kind of training, target dates, how training success could be assessed, or organizations or individuals responsible for providing such training. Similarly, the report suggested that land and property issues be clarified and urban planning be addressed, but offered little detail on milestones towards achieving this.<sup>553</sup> In essence it had the same monitoring strengths and weaknesses as the JAM Report a year before.

But while English language readers in East Timor were digesting the “Common Country Assessment for East Timor”, government departments were finalizing their first serious set of time-bound targets, called benchmarks. These were presented to a donors’ meeting in Brussels in December 2000 and were intended to enable department heads and donors to monitor capacity building progress. The same meeting

---

<sup>552</sup> *East Timor Combined Sources Budget, 2000-2001*, East Timor Transitional Authority : Finance Department, July 2000, pp.13-14, 22-23, 26.

<sup>553</sup> “Building Blocks for a Nation : The Common Country Assessment for East Timor”, Dili : UNDP and UN Country Team, November 2000, pp.3,8, 45, 49.

noted, “The lack of an over-arching plan to coordinate capacity building initiatives” and was told that one government office, the National Planning and Development Agency, would be given this coordinating responsibility. The NPDA would have, “A key role to play in operationalising the [capacity building] strategy and monitoring targets.”<sup>554</sup> Examples of targets or benchmarks set to achieve by March 2001 were the Health Ministry’s aim to immunise 30 % of children under the age of one, and the infrastructure department’s aim to complete drafting of medium-to-long-term business plans for Aviation, Ports, Roads and Water.<sup>555</sup> From December 2000, then, UNTAET at least had tools for more effective monitoring and evaluation of capacity building.

At an Interim donors’ meeting in March 2001, the head of the Government’s National Planning and Development Agency stressed the importance of the newly gathered benchmarks. She reported that “Foreign Affairs, defence, law and order and many areas in the social and economic sectors have performed well against most benchmark targets”, and warned departments that, “A comprehensive review of sectoral plans, including progress against the benchmarks...is planned for May.” An expanded list of benchmarks was to be presented to donors at the next donors meeting, planned for June 2001.<sup>556</sup> This clarity of targets and timelines allowed donors in June 2001 to criticise the slow pace of civil service recruitment and other cases of benchmarks not being achieved.<sup>557</sup> The benchmarks continued to be useful and were praised more than a year later, in November 2002, by the World Bank. The Bank observed that, “The benchmarks, reviewed and monitored every six months, proved a useful way to maintain reconstruction momentum and ensure links between different activities.”<sup>558</sup> The World Bank and UNTAET not only had a benchmarks document for monitoring capacity building programs – they were also using this document.

While the benchmarks were no doubt useful, overall there was a lack of detail. The original December 2000 benchmarks covered seven areas of government plus a set of

---

<sup>554</sup> United Nations Transitional Administration in East Timor and the World Bank, *Background Paper for Donors Meeting on East Timor*, Brussels, 5-6 December 2000, exec summary p.iii.

<sup>555</sup> United Nations Transitional Administration in East Timor and the World Bank, *Background Paper for Donors Meeting on East Timor*, Brussels, 5-6 December 2000.

<sup>556</sup> ‘Overview of the Transitional Strategy, Statement by Ms Emilia Pires, Head of NPDA’, Interim Donors’ Meeting in Dili, 29 March 2001, pp.3-4, 7.

<sup>557</sup> *Background Paper for Donors’ Meeting on East Timor*, UNTAET and World Bank, Canberra Donors’ Conference, 14-15 June 2001, pp.1, 13.

<sup>558</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, summary page. Found at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>, accessed 9 Jan 2007.

benchmarks for training, recruitment and UN down-scaling. However, many offices within the seven areas listed relatively few targets. For example, Defence and Foreign Affairs between them set only about 12 targets for all of 2001. Some offices, like the Fisheries Unit and the entire Department of Internal Affairs, had no targets at all in the key benchmarks list provided to donors. More guidance could have been provided to institution builders if every unit within a department had set several targets per quarter and if these targets had been further broken down into smaller steps.

A problem related to the benchmarks' lack of detail was that, while they provided some good service output targets, these targets focused on timing and quantity of services, largely ignoring quality of services. Two examples were, 'Establish 1 National Court of Appeal and 4 District Courts' and '[By] August 31 2001, >90% of Villages have access to permanent source of health care',<sup>559</sup>. In particular, almost none of the benchmarks related to staff's efficiency or acquisition of skills. Those few offices that did have targets relating to staff capacity did not specify what skills would be taught or how the office would know whether trainees had successfully learnt these skills and had used them to increase the office's service quality or quantity. One of the slightly better examples of setting skills targets was by the unit overseeing the Senior Secondary Education Program, which specified that training was to occur and that this was to increase teacher qualifications.<sup>560</sup> However even this target did not necessarily motivate capacity builders or the education unit to actually increase the quality of education – they may have felt their target was achieved after they handed out qualification certificates to the teachers. The NGO Forum saw this lack of measurement of staff capacity. It advised, "Organisations employing international staff in East Timor should be obliged by donors to develop performance indicators relating to skills transfer and training and demonstrate that staff performance is monitored according to these."<sup>561</sup>

When offices were asked to list their benchmarks in June 2001 along with their budget request for the July 2001- June 2002 Consolidated Sources Budget, some progress was

---

<sup>559</sup> United Nations Transitional Administration in East Timor and World Bank, *Background Paper for Donors Meeting on East Timor*, Brussels, 5-6 December 2000, pp.31, 34.

<sup>560</sup> *The East Timor Combined Sources Budget, 2001-2002*, Dili : East Timor Transitional Administration's Central Fiscal Authority, 2001, p.57, see also pp.41, 45-47, 59; for the Senior Secondary Education Program, see p.69.

<sup>561</sup> Forum Nacional ONG Timor Lorosa'e (The East Timor National NGO Forum), "Capacity building Briefing paper to donors meeting," Canberra, June 2001; accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01juncapacity.htm>

made in adding new targets. A World Bank consultant noted the budget showed attempts by most government offices to include ‘performance indicators’. However many of these were written as vague goals and lacked numerical targets that could be used to measure performance. For example, while the Central Administrative Services set a target which could easily be measured, aiming for “90 % of common user items issued from store within seven days of order”, the Office of the Inspector General set a target that could not easily be measured, “to improve accountability within public administration.”<sup>562</sup> Similarly, the Fisheries Unit aimed to increase the national fish catch by 10 %, however some other offices set indicators that could not be measured objectively and may indeed have already been achieved, like the Cabinet Secretariat’s target to, “Provide secretariat services to Cabinet”, and the Border Services’ target to, “Provide immigration control at the western border, Oecussi, seaports and airports.”<sup>563</sup> Such vague targets provided little guidance and little motivation to institution builders.

Though many offices had new capacity building targets, this did not necessarily mean that monitoring of capacity building in those offices would improve. An UNTAET-World Bank paper warned, “At present, there is no systematic approach to the assessment of external courses for relevance and appropriateness and no capacity for monitoring and evaluation.”<sup>564</sup> A 2001 report by the Timorese ‘government in waiting’ identified a lack of planning, coordination, monitoring and evaluation of the various capacity building programs and concluded, “It is not possible to know to a sufficient level of detail – from a government-wide perspective – who is doing what, what is being produced, whether or not any results are being generated, or how all this investment is impacting governance, administrative performance, Timorization or sustainability.”<sup>565</sup> Concerned about the lack of monitoring, the East Timor NGO Forum made two important requests in June 2001. First, turning to the individual level, it requested that all international staff, “Should work to performance objectives related to skills transfer and capacity building which are monitored and assessed”. Second, it suggested the transitional government finally get around to doing a, “Review of its

---

<sup>562</sup> Bailey, L., “Performance indicators in the East Timor Public Administration,” Dili : World Bank, 23 January 2002, pp.2, 7.

<sup>563</sup> *East Timor Combined Sources Budget, 2001-2002*, Dili : East Timor Transitional Administration’s Central Fiscal Authority, 2001, pp.35, 49, 57.

<sup>564</sup> United Nations Transitional Administration in East Timor, East Timor Transitional Government and the World Bank, *Background Paper for Donors Meeting on East Timor*, Oslo, 11-12 December 2001.

<sup>565</sup> “Capacity Development for Governance and Public Sector Management,” Dili: National Planning and Development Agency Office of the Deputy Transitional Administrator, Internal Discussion Draft - 26 March 2001, p.6.

performance with regard to capacity building.”<sup>566</sup> Offices needed both objectively measurable targets and systematic monitoring.

Even after June 2001, however, many offices lacked targets, or at least the capacity builders in those offices were not made aware of any targets. One international responsible for capacity building in the East Timor Cabinet Secretariat from May-September 2001 noted there were no written indicators of success to guide him in his work<sup>567</sup> (see also Cabinet Secretariat case study in Box 3 below). He and the Secretariat staff, local and international, simply made up objectives and methods as they went along. This lack of long term, formally agreed targets seems to have been a common problem. A review of training provided to district administrations in 2002 found that the indicators of capacity building progress in each district, “Were ad-hoc and specific to each LTO.”<sup>568</sup> Reviewing an offices’ capacity development, or an individuals’ capacity building contribution to such development, would have been difficult given the lack of formally agreed success indicators.

In November 2002 the situation seemed to have improved little. UNMISSET’s Civilian Support Group Liaison Team had drawn up some performance indicators for a group of UNMISSET advisers but was unable to provide these as they said the indicators needed revising.<sup>569</sup> The East Timor Government’s Combined Sources Budget for 2002-2003 contained good performance targets for some aspects of capacity building like development of policies, procedures and legal frameworks but not for development of staff’s skills. For example, the transport program set targets of rehabilitating seven bus terminals and registering 100% of government vehicles but set no targets for improving staff skills.<sup>570</sup> A Timorese coordinating UNDP’s capacity building assistance to the Ministry of Foreign Affairs was not aware of any set criteria/indicators for monitoring capacity building. He said the Ministry did, however, have some targets like active participation in ASEAN meetings, including ability to

---

<sup>566</sup> Forum Nacional ONG Timor Lorosa’e, “Capacity building Briefing paper to donors meeting,” Canberra, June 2001; accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01juncapacity.htm>

<sup>567</sup> Study author’s personal experiences in 2001.

<sup>568</sup> Larke, B., *Liaison and Training Officer Review: Training Overview/Training Framework, East Timor* Ministry of Internal Affairs, Office of District Administration, May 2002, p.5. (since the ODA had misplaced the document, I obtained a copy from the review writer.).

Note the LTO (Liaison and Training Officer) position was originally called the DLO (District Liaison Officer) but was re-named to emphasise the officer’s capacity building role.

<sup>569</sup> The study author’s own experience in directly approaching UNMISSET’s Civilian Support Group Liaison Team.

<sup>570</sup> *East Timor Government’s Combined Sources Budget for 2002-2003*, Dili: Ministry of Planning and Finance, 2002, p.119.

present East Timor's problems and viewpoint, and identification of points to put forward in the South West Pacific Regional Forum. More informally, he determined that progress was being made because he could see Timorese taking responsibility and could see Civil Service and other Acts being developed.<sup>571</sup> A UNDP official confirmed in December that UNDP was still in the process of setting criteria for evaluating its advisers but noted the evaluation system was likely to include quarterly self evaluations.<sup>572</sup> Right up to the end of 2002, Government capacity builders may have had their own individually devised plans but offices continued to have very few formally agreed success indicators by which UNMISSET's Civilian Support Group Liaison Team or anybody else could monitor their capacity building performance.

### Box 3

#### Case study from the Cabinet Secretariat, East Timor Transitional Administration

In the Cabinet Secretariat, the main long term targets were for East Timorese to be able, by May 2002, to independently organise weekly Cabinet meetings, write and distribute minutes and individual action reminders to ministers to follow up from these meetings, and advise writers to edit or add information to their Cabinet submissions to help the submissions get passed through Cabinet. Having targets did allow some oral feedback on capacity building progress. However since the targets were never broken into short term targets and were never written down, any criticism of lack of progress in 2001 was weakened by a lack of clarity on just what should have been achieved by that stage.

By mid 2001 the Secretariat had also developed a system of assigning tasks every week to local staff and to the international staff charged with helping them, and of weekly meetings to check on completion of these tasks. The level of independence in completing these weekly tasks was observed informally by internationals to assess capacity building progress, though no formula for measuring this level of independence was ever written down or formally agreed upon; nor were internationals' assessments of local staff's level of independence ever recorded in

<sup>571</sup> Freitas, B., UNDP-funded training coordinator with Ministry of Foreign Affairs, in unpublished interview with study author, 20 November 2002.

<sup>572</sup> Rolfe, T., UNDP, in unpublished interview with study author, 2 December 2002.



writing. The Cabinet Secretariat's capacity building program could, in conclusion, have been more effective if the office's international capacity builders or a central capacity building monitoring unit had ensured clearer short term capacity building targets and more written feedback on local staff's independence in completing weekly tasks. Clearer targets and feedback requirements may have resulted in greater guidance or motivation for local staff and even for the internationals charged with helping them.

Since targets had been informally set, monitoring of the capacity builder was also done informally, with no written process or schedule and no written feedback. The person doing this was the Cabinet Secretariat, who was, in turn, monitored informally by the office of the UN's Special Representative in East Timor (and beginning in 2002, monitored by a Capacity Development and Coordination Unit established under the Special Representative's office 573). Prior to 2002, both target-setting and monitoring seemed to be done orally, meaning targets and feedback were easier to misunderstand or simply forget, and done without detailed planning.

A brief examination of donor organizations building Timorese government capacity shows mixed effectiveness in monitoring and evaluation. Regular multi-donor sector missions, by helping UNTAET to identify gaps, duplication or new priorities in institution building, were a useful form of monitoring.<sup>574</sup> However monitoring was not always objective and able to detect actual impact. A review of AusAID's monitoring found that AusAID's early reconstruction programs had no success indicators and that even when indicators were later adopted, these focused more on outputs than on effectiveness and they generally did not specify objectively measurable targets.<sup>575</sup> Similarly, one AusAID-funded program starting in December 2001 aimed to build the capacity of local NGOs and community groups to address their own water supply and sanitation problems. It had regular monitoring teams sent to check progress in the field

---

<sup>573</sup> Senior official in Transitional Administration's National Planning and Development Agency, in private email to the study author, 18 July '03.

<sup>574</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, summary page. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>575</sup> *Aid to East Timor, Australian Agency for International Development*, Australian National Audit Office, The Auditor-General Audit Report No.20 2003–04, Performance Audit, pp.6-7. Accessed Nov 2006 at <http://www.anao.gov.au/WebSite.nsf/Publications/93CAC982CFB25A3BCA256E01001101DC>.

but these found, “A stronger balance of indicators, means of verification and methods is needed...to address capacity building.”<sup>576</sup> This problem was only addressed in October 2002 when a program design expert was sent to East Timor to draw up performance indicators for capacity building.<sup>577</sup> AusAID’s monitoring systems may not have been sufficiently objective or impact-oriented but the above reviews show at least they were monitoring their monitoring systems.

International financial institutions fared no better. The Asian Development Bank did specify targets. For example, the government’s power authority required, “A management structure ...that specifies the numbers and functions of staff, the skills required and a sufficient salary scale to attract and keep qualified staff...A permanent staff training capacity is also needed.” Against these indicators, the ADB was able to assess that, ‘Most of EDTL’s management positions remain unfilled and training in a large number of key management functions has not commenced.’<sup>578</sup> However, like UNTAET’s indicators, ADB’s success indicators focused on structures built and trainings delivered, with minimal attention to measuring actual impact of new structures and skills on the quality or quantity of services provided. The World Bank’s Agriculture Rehabilitation Project II included a component to strengthen the skills in project management of ETTA Agriculture Division staff, with success indicators like ‘30 staff and NGO partners were trained on project management and selected technical topics including social, gender and environmental issues’ and ‘effective coordination and communication with DAO and NGOs was established’.<sup>579</sup> The indicators were quite specific but used terms which were subjective. Different people could have different definitions of a ‘trained agricultural adviser’ and ‘effective coordination and communication’ so could disagree about whether these indicators had been achieved. Clearly UNTAET was not the only organization whose monitoring of capacity building was struggling to set objectively measurable targets and to detect improvements in service delivery.

---

<sup>576</sup> ‘Program Monitoring and Review Group Report for Visit 1 (April-May 2002), Final Joint Team Report’, The Community Water Supply and Sanitation Program, Dili : AusAID, July 2002, p.ii

<sup>577</sup> Alan Smith, CWSS Program leader, in unpublished interview with study author, October 2002.

<sup>578</sup> *Fourth Progress Report on East Timor*, Asian Development Bank for Donor’s Council Meeting, Dili, 14-16 May 2002, pp.64-5. EDTL was the government electricity authority, ‘Electricidade de Timor-Leste’.

<sup>579</sup> “Project Appraisal Document on a proposed TFET grant for a Second Agriculture Rehabilitation Project in East Timor”, World Bank, 28 Sept 2001. DAO was presumably the District Agriculture Office.

The World Bank's Community Empowerment Program (CEP) similarly had mixed success in measuring the building of community councils. A report in September 2000 about the first phase of the CEP shows a mix of objectively and subjectively measured success indicators. It was concluded that, out of 416 target villages, 406 had successfully established village councils to handle CEP funds, that these councils 'had managed the first round of block grant reasonably well' and that they were 'also generally accepted by the communities'.<sup>580</sup> The 'successful establishment' of councils was presumably measured by provision of lists of council members by each of the 406 villages, a good objective indicator, but may not have measured whether the council members actually knew what they were doing. Furthermore, no objective measurements were provided for such achievements as managing grants 'reasonably well' and of councils being 'generally accepted' by the communities. For example, one CEP council member in Quelikai sub-district had been treasurer for over a year but had never been to project sites and could not explain which projects were currently underway,<sup>581</sup> while another CEP council, due to inability to access good technical advice, placed rain-water collection tanks in a location that received very little rain water run-off.<sup>582</sup> Different monitors may have had different definitions of how many cases of mismanagement differentiated 'reasonably well' from 'rather poorly'. Whilst this attempt to evaluate progress in phase one of CEP may at least have provided some motivation to implementers to do a good job with the second phase, the use of subjective measurements of success may have lead to laziness as institution builders realised that any mistakes they made could go undetected. One Timorese journalist concluded that CEP projects to build community councils were, like similar projects in Indonesian times, poorly monitored.<sup>583</sup>

The pattern was similar even for organizations building civil society organizations. In the East Timor Donor's conference in Canberra, June 2001, the NGO Forum spokesperson expressed concern about the lack of monitoring of capacity building and lack of focus on impacts. He recommended that, "Organisations employing international staff in East Timor should be obliged by donors to develop performance indicators relating to skills transfer and training and demonstrate that staff performance

<sup>580</sup> Brown, G.M., 'Trust Fund for East Timor : East Timor TP Community Empowerment II', World Bank, 10 Jan., 2001, p.2.

<sup>581</sup> CEP community council member in private conversation with study-author's wife in Quelikai, November 2002.

<sup>582</sup> Silva Gomes, M., Village Chief of Bazar Tete, in unpublished interview with study author, 4 November 2002.

<sup>583</sup> Felicidade, C.R.S., "Usul Program CEP Dirubah", *Talitakum*, 2 April 2001, p.5.

is monitored according to these as a pre requisite to receiving donor funding.”<sup>584</sup> A UNDP report on its capacity building for the NGO Forum and other civil society organizations had clearly done extensive monitoring, including a mid-term review and daily monitoring of consultants placed within the NGO Forum. It even had both quantitative and qualitative success indicators, however most of these indicators still only measured activity outputs, like trainings run and a code of conduct written, without measuring whether these outputs actually translated to improved service quantity or quality.<sup>585</sup> Another international organisation working with the NGO Forum, as well as with other civil society organisations, was APHEDA. APHEDA similarly noted it had a logframe to monitor progress, including recording the number of people it had trained, but was still working on ‘specific indicators for changes in people’s lives’.<sup>586</sup> In November 2002, Oxfam was running a program of mentoring visits for two local NGOs, Fokupers and Bia Hula, before any success indicators had been written.<sup>587</sup> USAID admitted that, in its Bele program, ‘The level of community development work in part had to be sacrificed, so that the physical targets could be met.’<sup>588</sup> Many programs measured only activities completed rather than actual changes in local groups’ capacities.

### **Evidence that Ineffective practice number 8 stemmed from the conflicting priorities of international development institutions**

Many of the above deficiencies in monitoring of capacity building can be linked to conflicting priorities that have already been mentioned earlier in this chapter. International organizations wanted to help East Timor in a number of areas, not just institution building, and this sometimes meant insufficient attention was paid to institution building. For example, as mentioned in section 3 of this chapter,

<sup>584</sup> Forum Nacional ONG Timor Lorosa'e, “Capacity building Briefing paper to donors meeting,” Canberra, June 2001; accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01juncapacity.htm>

<sup>585</sup> UNDP, ‘Enhancing the Capacities of East Timorese Civil Society Organisations – Updated Report’, Dili, August 2002, p.12.

<sup>586</sup> Sharan KC, APHEDA, in unpublished email to study author, 6 November 2002.

<sup>587</sup> Clark, K., in unpublished interview with study author, 14-11-2002.

<sup>588</sup> ‘USAID Field Report East Timor May 2002’, accessed 13 Feb 2008 at [http://www.usaid.gov/our\\_work/cross-cutting\\_programs/transition\\_initiatives/country/timor/rpt0502.html](http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/country/timor/rpt0502.html)

international staff placed within government departments often chose to do management and planning tasks themselves instead of building the capacity of local staff to do these tasks. Therefore, some government offices had produced no indicators for the government's original December 2000 benchmarks document. Some internationals did write indicators but had no time to make these thoughtful and detailed, and many later internationals had no time to read and work towards existing success indicators because they were too busy with day-to-day management tasks.

Other priorities sometimes placed ahead of monitoring capacity building were security and rapid humanitarian intervention. The UN Secretary General's report to the UN Security Council in January 2000 had whole sections on security and the humanitarian situation but in the entire 74-paragraph document there was no mention of the terms 'institution building' or 'capacity building'. More remarkably, this was still the case in his 53-paragraph report of January 2001! Given that security and humanitarian intervention were such a focus in the first year of UNTAET's administration, it seems reasonable to assume this was one reason why success indicators for monitoring institution building were not presented to donors until December 2000. Since there was little pressure from the UNTAET head for implementing a system for monitoring capacity building, one UNDP official suggested that the SRSG had been focused more on political problems.<sup>589</sup> Similarly, the problems with the sustainability and monitoring of AusAID programs in the early reconstruction phase were attributed to AusAID's preoccupation with rapid intervention.<sup>590</sup> This suggests that minimizing short-term suffering was a higher priority than capacity building. An UNTAET review argued that both humanitarian intervention and institution building could have been prioritized at the same time, but weren't. It recommended that future missions, "Ensure that participatory strategic planning for development begins in parallel with humanitarian intervention."<sup>591</sup>

Even when capacity building was prioritized, monitoring was not considered a high priority component of capacity building. When the National Planning and

---

<sup>589</sup> Freitas, B., UNDP-funded training coordinator with Ministry of Foreign Affairs, in unpublished interview with study author, 20 November 2002.

<sup>590</sup> *Aid to East Timor, Australian Agency for International Development*, Australian National Audit Office, The Auditor-General Audit Report No.20 2003–04, Performance Audit, pp.6-7. Accessed Nov 2006 at

<http://www.anao.gov.au/WebSite.nsf/Publications/93CAC982CFB25A3BCA256E01001101DC>

<sup>591</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 389.

Development Agency was set up in 2000 to build government capacity, its main task was, according to its head, “To be in charge of producing a plan, not to monitor capacity building.”<sup>592</sup> In June 2001, East Timor’s NGO Forum noted that, “There has as yet been no review of [the UN mission’s] performance with regard to capacity building.”<sup>593</sup> Later in 2001, when the Capacity Development Management and Coordination Unit (later shortened to CDCU) was set up, its first task was not to monitor existing capacity builders but to, “Mobilize the Technical Assistance for the critical projects for the first two years.”<sup>594</sup> The study author worked specifically as a capacity builder with the Cabinet Secretariat from June – September 2001 but was not formally monitored during this time (in fact, outside his own office, nobody even asked him about capacity building progress). Even as late as 2002, provision of training to district administrations was found to have suffered from a, “Lack of centralised monitoring”.<sup>595</sup> Both local and international officials seemed preoccupied with the day-to-day functions of running their own office.

When monitoring occurred, it was undermined by donors’ and implementing organisations’ preference for ‘the easy path’ – that of using indicators that required minimal effort to measure or observe. The preference of some donors for output-oriented indicators rather than impact indicators was noted above. Also noted above was the UN’s focus in many departments on producing structures and trainings rather than actual increased effectiveness. The more informative but also more time-consuming alternatives would have been surveying individuals and offices on whether they felt trainings, new structures and other ‘capacity building’ had increased the quantity or quality of their service delivery, or even objectively trying to detect service improvements using baseline data from before the capacity building began. These time-consuming alternatives were rarely adopted. Consequently, diplomats and development experts were said to be concerned about the “checking boxes” approach

---

<sup>592</sup> Senior official in Transitional Administration’s National Planning and Development Agency, in private email to the study author, 18 July ‘03.

<sup>593</sup> Forum Nacional ONG Timor Lorosa’e, “Capacity building Briefing paper to donors meeting,” Canberra, June 2001; accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01juncapacity.htm>

<sup>594</sup> Senior official in Transitional Administration’s National Planning and Development Agency, in private email to the study author, 18 July ‘03.

<sup>595</sup> Larke, B., *Liaison and Training Officer Review: Training Overview/Training Framework, East Timor*, Ministry of Internal Affairs, Office of District Administration, May 2002, p.6. (since the ODA had misplaced the document, I obtained a copy from the review author.)

adopted by the UN and other organizations.<sup>596</sup> A Timorese writer condemned donors in general as, “Pre-occupied with false markers”, like, “Sixteen parties contested elections last year.”<sup>597</sup> The East Timor NGO Forum summed up this conflicting priority well, expressing concern in 2001 that, “Key indicators of success at present appear to be disbursements, and we want the process measured in terms of impact, rather than spending.”<sup>598</sup>

Individual implementers were, for selfish reasons, quite happy to comply with international organisations’ emphasis on the easy path. One consultant for AusAID admitted that ticking boxes and quantifying inputs and outputs was the way to win AusAID contracts. Therefore contracting companies like ACIL were not so interested in planning for the more complex, difficult-to-measure aspects of capacity building.<sup>599</sup> Another expert went even further, claiming that reports told donors what they wanted to hear, inserting catchphrases like community empowerment and gender equality, not what was actually happening.<sup>600</sup> It was not just contractors but also bureaucrats who prioritised the easy path. One observer wrote, “I met a Timorese man who took the ILO course. He told me that except for the bookkeeping part, he did not find the course much use.... Some consultant fulfilled a contract by writing it and a bureaucrat is ticking a box that says UNTAET is fulfilling its obligation by running it.”<sup>601</sup> Both organizations and individuals frequently prioritised the easy path ahead of more thorough monitoring of the impact of capacity building.

The quality of monitoring was also undermined by donors’ prioritization of short timelines. Short timelines gave donors more flexibility to redirect money to new sectors, beneficiary groups or even new countries in response to changing in-country needs or changing home-country political agendas. These timelines also meant donors’ funds could be reported on quickly, relieving bureaucratic pressures from the donor’s head office. Of a USAID-funded and IOM-implemented project, one observer

---

<sup>596</sup> Donnan, S., Dili dilemma: how blunders in building a nation are being brutally laid bare, *Financial Times*, London (UK): Jun 12, 2006. p.17.

<sup>597</sup> Da Silva, W., Letter From East Timor, *The Nation*, - Nation (U.S.) – 15 July 2002.

<sup>598</sup> A.Bano, ‘NGO Comment on Administrative Transition’, June 2001 accessed July 2005 at <http://members.pcug.org.au/~wildwood/01junadministrative.htm>

<sup>599</sup> unnamed Australian consultant in unpublished interview with Deakin University PhD candidate Leanne Black, 2002.

<sup>600</sup> Lansell Taudevin in Denton, J., ‘East Timor suffers under weight of world plans’, *Canberra Times*, 14 April 01.

<sup>601</sup> Owens, D., ‘No work and you don’t get paid’, *Taranaki newspaper*, Feb 2001. Accessed February 2005 at [www.jobletter.org.nz/dave/timorlet09.htm](http://www.jobletter.org.nz/dave/timorlet09.htm)

speculated, “At times the goal seemed to be to spend money as quickly as possible – IOM’s mid-term BELE report discusses “an average burn rate of \$59,199 per month.” (The phrase “burn rate” normally describes how fast rocket fuel is used up.)... While this has the advantage of rapid response and flexibility,...it does not include follow-up to see if the project succeeded and the money was used effectively.”<sup>602</sup> One capacity builder explained that output indicators like expenditure could be reported in the short term whereas it took longer to identify impacts like whether taught skills were actually used.<sup>603</sup> The World Bank noted that some government sectors had focused on speed, especially in terms of achieving physical reconstruction targets, but that these were the sectors which had made the least progress in long-term capacity building. The Bank called this sacrificing of longer term capacity building a, “Trade-off between speed of delivery and capacity building,”<sup>604</sup> A joint UNDP-NPDA paper in August 2001 was only slightly less diplomatic when it criticised donors for being, ‘Typically focused on the quick delivery of tangible results’.<sup>605</sup> International organizations seemed insufficiently concerned with the actual usefulness, in the long term, of the trainings they ran and the procedures and structures they helped put in place. The lack of monitoring for long term effectiveness can thus be attributed to a broader international priority – that of achieving short term targets – instead of making, “The enduring commitments needed to build a nation.”<sup>606</sup>

An East Timorese civil society leader summed up monitoring needs succinctly when in 2001 he gave the following advice:

“Donors should be prepared to commit to longer timeframes, and to develop realistic and achievable measures of successful capacity building for donor reporting requirements. These may include a description of respectful mentoring processes used by organisations and qualitative differences that will be measured and monitored in the performance of East Timorese staff. They should also include a description of how

---

<sup>602</sup> ‘United States Government Aid to East Timor’, *La'o Hamutuk Bulletin*, Vol. 3, No. 2-3: April 2002.

<sup>603</sup> Larke, B., in private correspondence with study author, 29 Sept '05.

<sup>604</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 200, summary page. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>605</sup> ‘Capacity Building for Governance and Public Sector Management, Program Overview’, East Timor : National Planning and Development Agency, with support from UNDP, August 2001, p.16.

<sup>606</sup> Donnan, S., Dili dilemma: how blunders in building a nation are being brutally laid bare, The UN's withdrawal of an interim administration four years ago now seems premature as Timorese are convulsed by anarchy, *Financial Times*, London (UK): Jun 12, 2006. p.17.



international staff performance in the area of capacity building has been measured and monitored throughout the life of a project.”<sup>607</sup>

This advice is consistent with the best practice theory examined in Chapter 1 and consistent with the recommendation from a November 2000 UN agency-led review which had advised that, “Capacity-building should be a key element of all work plans [and] managers should be held accountable not just for output but also for capacity-building of their staff.”<sup>608</sup> Yet the advice was frequently ignored. The reason best practice in monitoring of capacity building was frequently ignored seems to be because international organizations frequently prioritized objectives like humanitarian intervention, security and taking over local government officials’ functions ahead of capacity building. They also frequently prioritized other aspects of capacity building, like planning, ahead of monitoring. When they did conduct monitoring, they frequently prioritized targets that were short term and output-oriented rather targeting an increase in effectiveness in the long term.

---

<sup>607</sup> Forum Nacional ONG Timor Lorosa’e, “Capacity building Briefing paper to donors meeting,” Canberra, June 2001; accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01juncapacity.htm>

<sup>608</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, p.98.

## **Ineffective practice number 9 :**

### **There was a frequent lack of communication within UNTAET and between institutions. This undermined efforts to build the capacity of local institutions.**

In Chapter 1, one lesson for institutional capacity builders was the need to increase levels of coordination and cooperation not just within the UNTAET-led Transitional Administration, but also between UNTAET and other international organisations, and between international and local institutions. Within institutions like the UNTAET-led Transitional Administration, communication and cooperation could have created a sense of shared purpose and built trust and understanding between mentors and East Timorese counterparts, as well as between offices. This could have motivated workers and helped ensure the skills and attitudes taught to the East Timorese were suitable ones. Between institutions, communication and cooperation could have allowed learning as well as sharing of valuable resources, including data, that reduce wastage and misunderstanding and increase the quality or quantity of institutions' services to the community. Some communication and cooperation needed only to be short-term, like that within temporary organizations like UNTAET. In other cases, where a number of organizations were likely to be able to help each other over a longer period of time, communication and cooperation needed to be long term. In these cases, the communication needed to be done through enduring structural linkages. While communicating and cooperating is one of the better known and more easily understood elements of best practice, in East Timor it was easier said than done.

### **Within UNTAET and its Transitional Administration**

Numerous sources identified communication problems within and between various offices of UNTAET. These problems included a, 'Competitive and unfriendly,' working environment in some UN offices.<sup>609</sup> In particular, within certain departments there was, "A polarisation of Timorese and international administrators, each group perceiving the other as building a parallel structure," and reporting lines were unclear.

---

<sup>609</sup> Subianto, L.H., 'A State in the Making: International Actors in East Timor,' in H.Soesastro and L.H. Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, pp.158.

<sup>610</sup> There was also a lack of coordination of capacity building activities between offices. One UNTAET review found, “The operations of the different departments were highly decentralised, resulting in a wide variation in practice.” <sup>611</sup> Even after the establishment of a Cabinet in July 2000 <sup>612</sup> allowed department heads to meet weekly, elements of the UN mission still, “Tended to operate in isolation, with a lack of shared vision and understanding as to how the (capacity building and other) objectives specified in the mandate could best be achieved.” Outside Dili, “District administrators found themselves allocated paltry resources and left too much to their own devices to implement governance.” <sup>613</sup> In June 2001 UNTAET still recognised a need for the future East Timorese government to standardise its administrative practices across departments. <sup>614</sup> However, one UN planner later noted that UNTAET never produced a coordinated strategic plan relating each office’s tasks back to the overarching objectives that were set out in the UN Secretary General’s Report of 4 October 1999. <sup>615</sup> There was even a disconnect between government departments and those UNTAET offices not integrated into the transitional government. The Ministry of Finance intended to undertake a stock take of assets that UNTAET planned to transfer to the new government, but this was complicated, “Since the information provided by UNTAET makes it impossible to identify, locate or assess the condition of the assets.” <sup>616</sup> UNTAET’s lack of a coordinated approach to its capacity building, even within UNTAET alone, was one of its most widely criticised flaws.

## **Between international organizations with regard to institution building**

In building government institutions, UNTAET had mixed success in communicating with other international institutions. For example, a World Bank paper found that some

---

<sup>610</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group King’s College London, 10 March 2003, point 202, 212.

<sup>611</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, pp.97-98.

<sup>612</sup> *Bitter Flowers* , p.245; see also Report of the Sec-Gen for period 27 Jan – July 2000.

<sup>613</sup> Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, pp.24-25, 64.

<sup>614</sup> World Bank and UNTAET, *Background Paper for Donors’ meeting on East Timor*, Canberra, Australia, 14-15 June 2001, p.15.

<sup>615</sup> Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, pp.64.

<sup>616</sup> World Bank, ‘East Timor public administration public expenditure management and accountability note’, the World Bank East Asia And Pacific Region: Poverty Reduction And Economic Management Sector Unit, April 2002, p.48.

UNTAET and donors engaged in joint sector-wide planning, producing clear policies and plans for the building of some government departments, however for other departments or sectors, “Donors negotiate individual projects in a more disparate manner with the Government.”<sup>617</sup> A 2001 review of government institution building found that, “The current numerous capacity development activities in all sectors and all levels are ad hoc and issues driven”. These coordination problems were not just in planning. The same review noted the variety of capacity building activities and concluded, “One can only guess at what is being produced as there does not exist any administration-wide results based management system, or system of document or records management. ... There appears to be no coherent or consistent definition or concept of capacity development itself”.<sup>618</sup> As late as 2003, another UNTAET review reflected that training programs had sometimes suffered from, “Duplication of effort and inappropriate course content,” and that this could have been minimised if UNTAET’s transitional administration had played a stronger donor co-ordination role.<sup>619</sup>

In terms of building of institutions in general, there were differing views on the success of communication between UN institutions and between the UN and international NGOs. A donors’ meeting in December 2000 was told of the need for strengthening of partnerships between the UNTAET-founded government (ETTA), the UN agencies and NGOs.<sup>620</sup> An UNTAET review found that an NGO liaison function set up within the UNTAET administration’s National Planning and Development Agency (NPDA) was insufficiently resourced to coordinate international NGOs, which made them less accountable and led to poor relations with the East Timorese leadership.<sup>621</sup> One observer conceded that duplication of tasks occurred between UNTAET and UN agencies, and could have been reduced by “better strategic coordination.” However, he felt overall their coordination was better in East Timor than perhaps in any other UN

---

<sup>617</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, p.12. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>618</sup> *Capacity Development for Governance and Public Sector Management: Strategic Management Framework*, Dili: National Planning and Development Agency with support from UNDP, March 2001 (draft), pp.i, 6.

<sup>619</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, point 395.

<sup>620</sup> Emilia Pires, senior manager in ETTA, reported in S. Martin, ‘Final Report on the Donors’ Meeting on East Timor, 5-6 Dec 2000, from NGO representative’, Dec 2000 (available at East Timor’s NGO Forum), p.2.

<sup>621</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, point 145.

mission.<sup>622</sup> A World Bank paper in 2002 rued the lack of a wages agreement between institutions, noting that different programs in East Timor's reconstruction had, "Applied widely differing wage policies." These undermined initiatives paying lower wages, presumably those of local NGOs and local businesses, and created long-term distortions in the labor market.<sup>623</sup>

UNTAET's cooperation with the World Bank started slowly but improved. The World Bank felt that, "Cooperation between the Bank and UNTAET was... initially hampered," by a number of factors and that one result was, "A lack of continuity and ownership [by UNTAET] of some recommendations of the [World Bank-led] Joint Assessment Mission, especially those relating to civil service and judiciary."<sup>624</sup> An UNTAET review similarly noted that UNTAET embraced only selected recommendations arising from the World-Bank-led JAM needs assessment. However, it also noted that UNTAET's relationship with the World Bank improved after the respective roles of the two organizations in East Timor's reconstruction became clearer.<sup>625</sup> Clear evidence of increasing cooperation was the fact that the six-monthly donors' meetings were jointly facilitated by the World Bank and UNTAET, and clear demarcation of which government responsibilities would be financed by the World Bank-administered TFET fund.<sup>626</sup> One communication problem that remained throughout the life of UNTAET was the lack of a formal link between the World Bank-created CEP councils and the UNTAET/ETTA Government of East Timor. This limited the councils' ability to get government assistance and credibility. The World Bank Chairperson in East Timor Sarah Cliff admitted, for example, that CEP councils had no formal access to UNTAET's district advisers but were seeking such access.<sup>627</sup> CEP councils' work often intersected with the work of government sectors like infrastructure and health but no communication links with these sectors was built into

---

<sup>622</sup> Subianto, L.H., 'A State in the Making: International Actors in East Timor,' in H.Soesastro and L.H. Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, pp.155, 158-159, 167.

<sup>623</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, p.13. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>624</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002. Exec summary, pp.ii, 5. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>625</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 172.

<sup>626</sup> For details on different funds uses, see 'External Funding: Sources and Uses', *Lao Hamutuk Bulletin*, vol.2, April 2001.

<sup>627</sup> See Rodriguez, N., 'CEP Dibangun untuk melengkapi Struktur Lain', *Talitakum*, 7 May 2001, pp.30-31.

the CEP program structure.<sup>628</sup> Thus, whilst UNTAET's cooperation with the World Bank was generally constructive, capacity building was undermined by UNTAET's lack of support for two World Bank-led initiatives: the JAM needs assessment and the CEP community councils.

The World Bank's coordination with other international organisations was mixed. In addition to leading production of a well-coordinated and widely used needs assessment document, the 1999 JAM report, the World Bank was chosen to lead two important coordination mechanisms. It administered the Trust Fund for East Timor, which drew funds from a variety of international donors, and led regular donor coordination meetings.<sup>629</sup> This coordination impacted positively on institution building in East Timor. However the World Bank's CEP program in particular was criticized for poor coordination. In 2000, "A problem of CEP projects duplicating projects by NGOs, UNTAET, or UN agencies", was identified and attributed to insufficient communication within localities.<sup>630</sup> Even the ADB expressed concern that the CEP, with its substantially different approach to microfinance, could potentially undermine the ADB-supported Microfinance Development Project in East Timor.<sup>631</sup> A World Bank review similarly found, "While the international community was able to raise a large amount of resources for development of Timor-Leste, there was a lack of agreement between the major players on critical strategies, in particular those dealing with promotion of micro-credit and local governance."<sup>632</sup> The World Bank seems to have played an important coordinating role at the national planning level, though it was less successful with some particular sectors of institution building.

## **Between UNTAET and local institutions**

UNTAET had mixed success in its coordination with East Timorese civil society institutions. One UN agency-led paper identified, "A recognized lack of coordination",

---

<sup>628</sup> Candio, P., and Bleiker, R., "Peacebuilding in East Timor," *The Pacific Review*, Vol.14, No.1, 2001, p.72.

<sup>629</sup> Reconstruction Survey Timor Leste 2007, Dili: Timor Institute of Development Studies (TIDS), 2007, pp.8, 13-14.

<sup>630</sup> "Evaluating the World Bank's Community Empowerment Project", *La'o Hamutuk Bulletin*, Vol. 1, No. 4, 31 December 2000.

<sup>631</sup> World Bank, 'Timor-leste Project performance assessment report', Report no. 36590, World Bank Sector, thematic and global evaluation division : Independent evaluation group, June 27, 2006, p.44.

<sup>632</sup> World Bank, 'Timor-leste Project performance assessment report', Report no. 36590, World Bank Sector, thematic and global evaluation division : Independent evaluation group, June 27, 2006, p.44.

in providing training for Timorese people,<sup>633</sup> a coordinating role which would have been well suited to UNTAET but was never taken up. More specifically, UNTAET was said to have cooperated well with local NGOs in the area of water and sanitation but in other areas, most notably education, some NGOs felt UNTAET's, "Rather authoritarian attitude" was not conducive to cooperation.<sup>634</sup> Later, UNTAET was criticised for rushed consultation with the Timorese public to gain input into the 2002 national development plan<sup>635</sup> and for limited communication in general with the Timorese public.<sup>636</sup> However, this criticism was not specifically about coordination with Timorese NGOs. And UNTAET's communication with Timorese institutions was steadily improving. The head of UNTAET established bi-weekly meetings with representatives of other UN agencies and of Timorese institutions.<sup>637</sup> In March 2002, the East Timorese Cabinet adopted further measures to improve coordination between the UNTAET-led government and NGOs. There was also a Planning Commission, which one report felt provided, "An innovative model for how government and civil society can work together".<sup>638</sup>

## Between international and local institutions

International organizations in general started badly but made some progress in coordinating with local civil society organizations. In January 2000, one prominent local NGO criticised international NGOs and UN agencies for carrying out their operations, "In different places with a minimal coordination with local organizations."

<sup>639</sup> A UN agency-led review found that, "National NGOs were not drawn on enough by

---

<sup>633</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, p.15.

<sup>634</sup> Subianto, L.H., 'A State in the Making: International Actors in East Timor', in H.Soesastro and L.H. Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002,. pp.161-163.

<sup>635</sup> Fonseca, J., "Joint Statement: East Timorese and International NGOs To Dili Donors Conference," 2002-05-23; accessed 11 Jan 2005,

[http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display\\_item=1](http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display_item=1)

<sup>636</sup> See 'East Timor Faces Post-UNTAET Challenges', *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002. The lack of coverage of radio and UNTAET's four-language newspaper is mentioned in, *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 139.

<sup>637</sup> Subianto, L.H., 'A State in the Making: International Actors in East Timor', in H.Soesastro and L.H. Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002,. pp.157-158.

<sup>638</sup> UNDP, *Situation Analysis of Civil Society Organisations in East Timor*, Dili, 2002, p.22.

<sup>639</sup> Working Group for Study and Examination, 'From Scorched Earth Operation to Humanitarian Operation', East Timor : Yayasan Hak, 10 January 2000, p.1.

the humanitarian agencies during the emergency assistance period of 1999 and early 2000.”<sup>640</sup> An Oxfam review in 2000 similarly found local NGOs concerned about, “Lack of communication and transparency from international NGOs,” and, “Domination by the international community on policy and implementation”. The same review, however, noted that since the emergency period ended, “Great efforts have been made to encourage a closer collaboration between the Timorese and the international NGO community.”<sup>641</sup> In 2001, occasional coordination problems remained. For example, a seminar, run by the World Bank to plan an agriculture rehabilitation project, including assistance to institutions like PASCs and CEP village councils, involved local government staff but used jargon like ‘performance indicators’, ‘log frame’, ‘hierarchy of objectives’, and ‘demand driven’, which were alien concepts and difficult to translate. Representatives of local farmers, referred to as ‘clients’ of the PASCs, were not even invited to the seminar.<sup>642</sup> At the same time, however, international organizations were supporting development of the NGO Forum in Dili, which organised monthly coordination meetings for both local and international NGOs and acted as a focal point for sharing of information. It also provided shared resources like internet access and various training courses which brought staff from different NGOs together.<sup>643</sup>

2002 showed further improvement in coordinating to increase capacity building opportunities for Timorese NGOs. There was no mention of coordination problems at all in two studies of Timorese civil society building by UNDP.<sup>644</sup> A third UNDP paper in August 2002 noted, “Visits by civil society training experts from Indonesia, the Philippines, Australia and other nearby countries gave local NGOs the chance to establish ongoing links with NGOs based outside East Timor”.<sup>645</sup> By November 2002, a World Bank paper was even sufficiently proud to declare that, “The East Timor reconstruction program has been anchored in an unusual cooperation between the East

<sup>640</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, p.111.

<sup>641</sup> Brunnstrom, C., *Loron Aban Hahu Ohin - The Future is Today*, Report on the Relationship between Timorese and International NGOs in East Timor, Dili :Oxfam, November 2000, p.17.

<sup>642</sup> Amy G., ‘Bank Dunia dan Rehabilitasi Pertanian’, *Verde* (magazine of Haburas Foundation, a local NGO), 4 July 2001, pp.6-7.

<sup>643</sup> The NGO Forum was set up in 1998 with funds from US AID . See Nest, M., “Overview and Assessment of Development Assistance to East Timor,” New York University : Centre on International Cooperation, 1999, accessed in November 2002 at [http://www.nyu.edu/pages/cic/publications/work\\_paprs/publ\\_work\\_paprs8.html](http://www.nyu.edu/pages/cic/publications/work_paprs/publ_work_paprs8.html)

<sup>644</sup> See UNDP, *Situation Analysis of Civil Society Organisations in East Timor*, Dili, 2002. Also, UNDP, *Enhancing the Capacities of East Timorese Civil Society Organisations – Updated Report*, Dili, August 2002.

<sup>645</sup> *Ukun Rasik An : East Timor Human Development Report 2002*, Dili : UNDP, 2002, p.43



Timorese people, the United Nations Transitional Administration in East Timor (UNTAET) and donor countries and institutions.<sup>646</sup>

Whilst cooperation and communication between international and local organizations was weaker in the earlier period than in the later period, it was also weaker in rural areas than in Dili. One group of local NGOs felt poor rural communication was a weakness of international NGOs, and thus argued that, “Productive relationships with both urban and rural communities” gave them an edge in effectiveness over international NGO staff.<sup>647</sup> Even in 2002, when road and transport networks were better than in 2000, the country manager of one international NGO conceded that those local NGOs with offices close to her own generally received more mentoring assistance from her NGO. She had begun a proposal writing and financial management mentoring program with 15 local NGOs in early 2000 but by November 2002, only the larger, city-based local NGOs were still receiving assistance.<sup>648</sup> In contrast, some projects which focused less on capacity building, like the World Bank’s Community Empowerment Project and AusAID’s ETCAS Project, did reach many isolated groups.<sup>649</sup> Overall, it would seem international organizations had limited communication and therefore did little capacity building, directly or indirectly, with rural East Timorese organizations in the September 1999-2002 period.

Finally, international organizations had mixed success in coordinating with local private enterprise institutions. A positive move came in August 2000, with changes being introduced in the infrastructure sector to encourage greater involvement of local contractors, following their complaints that the bidding process for large projects discriminated against local businesses.<sup>650</sup> In an implied criticism of UNTAET, a UNDP-backed study in August 2001 noted, “Strategic planning, programming, coordination and reporting of multiple projects in a particular sector” needed to be done, “In a more formalised and structured manner”, involving representatives not

---

<sup>646</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, p.1. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>647</sup> Bia Hula Foundation, Probem, Hamoris Timor Oan, Forte, “East Timorese National Water and Sanitation NGO Priorities and Recommendations”, as presented to Canberra Donors’ Conference for East Timor, June 2001, p.2.

<sup>648</sup> Clark, K., in unpublished interview with study author, November 2002.

<sup>649</sup> See in “The Community Empowerment Project Revisited”, *La’o Hamutuk Bulletin*, Vol. 3, No.7, October 2002. Also see, ‘Analyzing Australian Assistance to East Timor’, *La’o Hamutuk Bulletin*, Vol. 3, No. 8, December 2002.

<sup>650</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, p.84.

only from government departments and civil society institutions but also from private enterprise.<sup>651</sup> However, the Asian Development Bank clearly took steps to facilitate coordination between the East Timorese administration and private enterprises to boost the latters' development. Its Private Sector Capacity Building Program included training for 15 – 30 civil servants on how they could help develop the private sector.<sup>652</sup> Also, international organizations helped East Timorese open businesses by linking them with international investors.<sup>653</sup> In one case, links with USAID-funded NCBA (National Cooperative Business Association) helped the coffee cooperative CCT succeed economically but in 2002 CCT still seemed too weak to actually operate without international assistance. CCT relied on NCBA for training and for international marketing of its coffee. It even turned to NCBA to conduct an investigation when farmers accused it of being corrupt. Since NCBA was itself dependent on continued international funding, a study of CCA concluded, "CCT needs to coordinate with other institutions that can provide auditing, training and marketing assistance on a more sustainable basis."<sup>654</sup> Ultimately however, some good coordination by some international organizations was undermined by the overall economic effect, described earlier in this chapter, of market distortions created by international spending patterns.

### **Evidence that Ineffective practice number 9 stemmed from the conflicting priorities of international development institutions**

The abovementioned communication problems stemmed from a number of conflicting priorities. First, international institutions had other tasks competing for their attention. During the first 9 months, many international organizations prioritized emergency response ahead of longer term development. This meant that communication with local organizations was necessary only to the extent that it assisted with UNTAET's main initial interests: providing humanitarian relief, boosting security and setting up UN

<sup>651</sup> *Capacity Building for Governance and Public Sector Management, Program Overview*, East Timor : National Planning and Development Agency, with support from UNDP, August 2001, p.56.

<sup>652</sup> 'TFET Update no.11', World Bank, 2001; accessed June 2002 at <http://siteresources.worldbank.org/INTTIMORLESTE/Resources/TFET+Update11.pdf>

<sup>653</sup> Dodd, M., "Open for business, but a while before the good times roll," *Sydney Morning Herald*, 7 March 2000.

<sup>654</sup> 'Focus on Coffee and East Timor', *Lao Hamutuk Bulletin*, Vol.3, April 2002, pp. 13-14.

administration of East Timor. UNTAET's priorities are reflected in the eight chapter headings of its January 2000 report to the UN Security Council: introduction, major developments, security, humanitarian situation, governance and public administration, public information, personnel and logistics, and observations. The 'major developments' chapter included a sub-section on 'Cooperation with other international organizations' but did not include a section on 'Cooperation with local organizations'. In fact, in the whole eighteen page report, the term 'local NGO' was mentioned just twice, the term 'capacity building' just once and the term 'civil society' not at all.<sup>655</sup> This preoccupation with the emergency response was one reason for the poor coordination between departments within the UNTAET administration, at least in the first 9 months. As an UNTAET review confirmed, "The management and operation of departments were highly decentralised during this period [because]... in its early stages UNTAET was preoccupied with stabilising the still uncertain security environment, sorting out the worst of the refugee problem, and allowing the internal political situation to settle."

Other competing tasks lasted long after the emergency period. The abovementioned UNTAET review continued: "An agreed approach to capacity-building would have been far preferable to the ad hoc approach adopted in this area... Although this was partly a reflection of the extent to which the mission was overstretched in trying to perform its public administration functions."<sup>656</sup> Prioritisation of government administration thus reduced the amount of time available to coordinate capacity building. Some international NGOs were also seen to be, "Too occupied with their own activities to prioritize time and effort to coordinate with or extend any assistance, even simple, to a local NGO requesting it." They were even too busy just to exchange ideas to gain a greater understanding of each other.<sup>657</sup> The extent of internationals' focus on 'their' program and total disregard for the inclusiveness required for effective capacity building were reflected in such comments as, "We invited them to our meeting but they did not come."<sup>658</sup> Perhaps if UNTAET's and international NGOs'

---

<sup>655</sup> 'Report of the Secretary General on the United Nations Transitional Administration in East Timor' S/2000/53, Report to the UN Security Council, 26 January 2000.

<sup>656</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, points 173, 372.

<sup>657</sup> Brunnstrom, C., *Loron Aban Hahu Ohin - The Future is Today*, Report on the Relationship between Timorese and International NGOs in East Timor, Dili :Oxfam, November 2000, p.13.

<sup>658</sup> Ife, J., "Report of Assessment Mission to East Timor," International Federation of Social Workers, Nov. 1999, p.4.

tasks had focused more on institution building, they could have devoted more time to coordinating.

A second priority conflicting with coordination for capacity building purposes was international diplomacy. Much of the early disconnect between UNTAET and other international organisations was because, “UNTAET, eager to avoid prejudging the outcome of the political transition it was mandated to oversee, felt constrained in its dealings with the CNRT”, while the World Bank, donors and other international organizations were happier to engage the CNRT (Timorese independence umbrella movement) as a representative voice of local people. This meant many discussions between CNRT and international organizations were not attended by UNTAET.<sup>659</sup> The World Bank noted UNTAET’s prioritization of diplomacy, reflecting that, “UNTAET in 1999 and the first half of 2000 treated CNRT as a political party, and was wary of close consultation which could imply recognition—perhaps because of experiences in the Balkans —while the Bank’s experience of CNRT had been as a constructive counterpart to channel varying Timorese views into the planning process.”<sup>660</sup> Others similarly interpreted UNTAET’s arms length relationship with the CNRT independence movement as a policy designed to appease Indonesian diplomats.<sup>661</sup>

Communication both within UNTAET and between UNTAET and other organizations was undermined by UNTAET’s desire to retain its long-established recruitment procedures. These required representation from a broad range of countries, a principle that some felt was ill-suited to its new nation-building role. One 2001 review of UNTAET found that International staff from about 125 countries and from all regions of the world were working in UNTAET’s governance program. It warned that, “Multi-disciplinary teams from widely differing governance and administrative management backgrounds would be extremely difficult to manage”.<sup>662</sup> Another review argued that some of the communication problems within UNTAET could have been reduced by reducing the number of different countries contributing staff. This could have decreased

---

<sup>659</sup> *A Review of Peace Operations: A Case for Change, East Timor, Conflict, Security and Development* Group, King’s College London, 10 March 2003, points 169-170.

<sup>660</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program*, World Bank East Timor Working Paper No. 2, November 2002. Exec summary, pp.ii, 5-6. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>661</sup> Goodman, J., “Partnership versus ‘consultation’ in East Timor”, *AID/WATCH*, August 2000. Accessed August 2005 at <http://members.pcug.org.au/~wildwood/earlypartner.htm>

<sup>662</sup> *Capacity Development for Governance and Public Sector Management: Strategic Management Framework*, Dili: National Planning and Development Agency with support from UNDP, March 2001 (draft), p.8.

the number of different backgrounds and approaches and could have allowed more recruitment from countries which had, “Cultural or linguistic backgrounds similar to those of the mission country.” The same report noted, however, that current UN practice favoured, “Full geographical balance within each peace operation,”<sup>663</sup> and this may have been due to the diplomatic priority of giving employment and international profile opportunities to all UN member countries.

Communication and cooperation problems within UNTAET and within other international organizations were sometimes caused by conflicting priorities at an individual level. A well-known personal rivalry existed between UNTAET’s Director of Political Affairs, Peter Galbraith, and its Chief of Staff, Datuk N. Parameswaran.<sup>664</sup> The same Chief of Staff, a Malaysian, also claimed in 2002 to have been undermined by the Deputy Special Representative and his senior adviser.<sup>665</sup> During my own time in the Liquiça District Administration in 2002, I found capacity building to be undermined by a triangular lack of trust and communication between the three most senior UNTAET international staff in the Administration. Personal rivalries within international NGOs probably affected their communications with local groups. One international recalled, “During my time at IRC, my program coordinator and country director engaged in psychological warfare so intense that he left suffering from what looked like nervous exhaustion (she was later dismissed from her post). Their conflict was the result of the differences in approach to the way in which the program should be implemented.”<sup>666</sup> Some staff prioritized personal disputes, hindering communication and ultimately hindering capacity building.

Institution building, or at least international staff’s communication with rural organizations, was undermined by another element of selfishness. In minimizing their contact with locals in more remote locations, individuals from international organisations prioritized ‘the easy path’. One ex-UNTAET official recalled that, while living in Manatuto district in 2002, he heard many stories, “Of previous UN staff who had spent a fraction of their time in the district, preferring instead the air conditioned hotels of Dili.” The same ex-UNTAET official also recalled that UNTAET’s District

---

<sup>663</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, point 369.

<sup>664</sup> Dunn, J., *East Timor: a rough passage to independence*, NSW: Longueville Media, 2003, p.369.

<sup>665</sup> Zulfakar, M., “Malaysian Quits as UNTAET Chief-of-Staff”, *Kuala Lumpur Star*, 9 Jan 2002; accessed Mar 2008 at <http://www.globalpolicy.org/security/issues/etimor/2002/0109resign.htm>

<sup>666</sup> Larke, B., private email to study author, 29 Sept ’05.

Field Officers in Suai were each responsible for developing a particular sub-district. However, they all lived in Suai and rarely visited their respective sub-district more than once per week.<sup>667</sup> One Australian rural development worker criticised international organisations for choosing to give farmers, “Huge equipment and machinery that the farmers could never afford in their own right”, instead of the more difficult but more empowering approach of communicating closely with farmers groups.<sup>668</sup> A leader in one mountain community, Alas, felt there were no international organizations in his area because, “There is no luxurious house, bar to drink beer, discotheque.”<sup>669</sup> One abovementioned international NGO, which focused its mentoring on local NGOs with nearby offices in Dili, may well have done so because few mentors wished to spend much time in the districts. In the study author’s own time spent in Maubisse and Liquiça, most other international workers and I returned to Dili frequently, mainly because it had more restaurant and shopping options and fewer internet, electricity and mobile phone problems. Another aid worker criticised consultants for minimizing input from locals, preferring the easier method of simply copying ideas from previous documents. Consultants, he explained, “Stay a few days, pick the brains of local people, and write reports that are a mix of what they wrote in other countries and what previous consultants wrote in East Timor.”<sup>670</sup> Many individuals at some point prioritised the comforts of Dili ahead of communication with rural organisations, and this reduced the opportunities for direct or indirect capacity building.

In turning to institution-level communication problems between international and local institutions, on the surface, one of the obvious causes was inability to speak the same language. One UN planner noted that communication specifically between foreigners and East Timorese civil servants was undermined by language barriers.<sup>671</sup> A Donors’ meeting in 2001 was told these language barriers not only limited the participation of East Timorese in day-to-day activities such as meetings, planning discussions and general supervision,” but also meant that, “Almost all the documentation produced by the transitional administration – major reports, policy papers, Cabinet submissions and

---

<sup>667</sup> Larke, B., private email to study author, 29 Sept ’05.

<sup>668</sup> Lansell Taudevin in Denton, J., ‘East Timor Suffers under weight of world plans, *The Canberra Times*, 14 April 2001.

<sup>669</sup> Working Group for Study and Examination, ‘From Scorched Earth Operation to Humanitarian Operation’, East Timor : Yayasan Hak, 10 January 2000, p.1.

<sup>670</sup> Hanlon, J., “Can East Timor survive the aid industry? Some questions from Mozambique”, *La’o Hamutuk Bulletin*, Volume 2, Nos. 3, June 2001.

<sup>671</sup> Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, pp.112.

decisions, directives, procedures, manuals and forms - ...is unintelligible to the East Timorese.”<sup>672</sup> Many locals felt internationals placed insufficient emphasis on learning a local language. The leader of one local organization for former political prisoners complained, “UNTAET doesn’t tell us what it is doing...UNTAET should learn Tetum .”<sup>673</sup> A study in 2000 declared, “All Timorese consulted emphasized the need for the international community active in East Timor to learn Tetum / Bahasa Indonesia. Their point is that too much information gets lost when communication has to go through an interpreter, thus preventing them from active participation.”<sup>674</sup> An NGO leader criticized Portuguese capacity builders’ desire to speak only their own language, noting that, “There were virtually no Portuguese students,” wishing to attend Tetum language courses run by his NGO.<sup>675</sup> Too many internationals were reluctant to prioritize language learning.

On the surface too, communication and cooperation problems between international and local institutions could also be attributed to internationals’ disinterest in adapting their capacity building methods to Timorese culture. Some Timorese, for example, said Timorese found methods like formal consultations created an atmosphere that was too intimidating.<sup>676</sup> A study of Timorese NGOs found, “Program and policy documents are in general made available,” but Timorese felt, “As they require a lot of time and great effort to be read and understood, they are often not the best means of information.” The same study also noted, “The general knowledge and understanding about what, why and how ‘the others’ are doing, is according to them, missing in the daily contact between the two groups,”... and that internationals’, “Lack of respect for culture and knowledge and the rush to proceed leave little opportunity for the Timorese to shape their own future.”<sup>677</sup> Early international NGO staff in particular had, according to one senior UN staff member, neither, “An especially firm grasp of the recent history of East Timor,” nor any inclination, “To establish meaningful relations

---

<sup>672</sup> World Bank and UNTAET, *Background Paper for Donors’ meeting on East Timor*, Canberra, Australia, 14-15 June 2001, pp.15-16.

<sup>673</sup> Lloyd Parry, R., “People of East Timor Seethe at UN as Their Cities Remain a Wasteland”, *The Independent*, 25 January 2000.

<sup>674</sup> Brunnstrom, C., *Loron Aban Hahu Ohin - The Future is Today*, Report on the Relationship between Timorese and International NGOs in East Timor, Dili :Oxfam, November 2000, p.12.

<sup>675</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a Fragile State*, Charles Darwin University Press, 2005, p.87.

<sup>676</sup> Study author’s personal experience.

<sup>677</sup> Brunnstrom, C., *Loron Aban Hahu Ohin - The Future is Today*, Report on the Relationship between Timorese and International NGOs in East Timor, Dili :Oxfam, November 2000, pp.12, 17.

with East Timor's political, religious and social leaders.”<sup>678</sup> Another international reflecting more broadly, linked, “The lack of coordination,” with the problem that, “The cultures of each organization many times were conflicting.”<sup>679</sup> Greater prioritization by internationals of adapting capacity building to local culture may have led to better coordination and therefore better capacity building results.

Since learning a language and new culture is time-consuming, this reluctance to learn was, in turn, perhaps partly due to international staff's prioritization of ‘the easy path’. Local NGOs complained, in 2000, “That the international community uses language as a criterion, superior to subject knowledge (agriculture, health, etc) when judging the possibilities for collaboration or employment.” This international approach to collaboration was, “Perceived, by the Timorese society, as arrogance and lack of interest in the people and the context.”<sup>680</sup> UNTAET in particular prioritised the easy path, that of maintaining the status quo rather than challenging existing principles, when it chose to follow the standard UN practice of, “Maintaining full geographical balance within each peace operation.” One alternative could have been, “The recruitment of police officers from cultural or linguistic backgrounds similar to those of the mission country,”<sup>681</sup> something which would have reduced cultural and linguistic barriers to coordination. Whilst studying language and culture is time-consuming and changing UN recruitment practices requires much diplomacy and risk, there was a third, much simpler way in which internationals prioritized the easy path. Consultation itself is time consuming, particularly when there are language barriers, so many internationals no doubt minimized their coordination with local NGOs just to save time and energy. By prioritizing these three kinds of laziness, individual foreigners limited their coordination with local NGOs, resulting in fewer opportunities for both groups to learn and share resources.

But behind internationals' disinterest in learning about language and culture lay another conflicting priority attributable to institutions, not individuals. Most institutions, because of short donor timelines for particular programs, employed their

---

<sup>678</sup> Robinson, G., “With UNAMET in East Timor: an Historian's Personal View”, *Bitter Flowers, Sweet Flowers: East Timor, Indonesia and the World Community*, R.Tanter, M.Selden and S.R. Shalom (eds), Oxford : Rowman and Littlefield, 2000, pp.69-70; the study author, who was himself one of the international NGO staff at the time, agrees this was generally true.

<sup>679</sup> Long serving director of an international NGO in private email to study author 8 September 2005.

<sup>680</sup> Brunnstrom, C., *Loron Aban Hahu Ohin - The Future is Today*, p.13.

<sup>681</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 82.



internationals on short term contracts. Many internationals on short term contracts would simply not have had sufficient time to actually learn and use a new language. This was a particularly common problem in the nine-month period immediately following East Timor's devastation. In this emergency period, implementing institutions felt there was no time for institution building or the high level of coordination this required. This was clear from the fact they deployed staff who had needs assessment and logistics skills but lacked local language skills or any desire to build relationships with local institutions.<sup>682</sup> Even if these staff had wanted to increase their understanding of locals and their coordination with locals, this was difficult. As one November 2000 report explained, "The fact that staff in the emergency period tended to be on short-term contracts was also not conducive to them building relationships, studying local contexts or learning local languages."<sup>683</sup> Another report similarly noted that many UN staff were, "Working on fixed-term 6-month contracts and will, therefore, finish their contracts before becoming adapted to the environment."<sup>684</sup> The head of UNTAET himself seemed to note these difficulties, admitting, "I did not arrive in East Timor with a full knowledge of the situation here or the psychology of the East Timorese... It took me six months to understand."<sup>685</sup> UN donors' prioritisation of short timelines meant few UN contracts were for longer than six months and institution builders were often just beginning to understand the local context when their contracts expired.

The use of short contracts had wide-ranging effects, even after the emergency period. In June 2000 as the emergency period drew to a close, a World Bank-backed mission reflected on coordination problems caused by, "Lack of continuity in the presence of World Bank task managers, UNTAET department heads and CNRT sector representatives."<sup>686</sup> Though the problem of short term contracts improved slightly after the emergency period, a November 2000 study still found that, "The fact that Oxfam has had an extremely fast turnover of staff with short contracts, has however,

---

<sup>682</sup> The study author's direct observations during the emergency period. There was a high turnover rate of international NGO staff in East Timor in the first six months as staff skilled in emergency relief work were replaced by those more skilled in developmental work, including capacity building.

<sup>683</sup> Brunnstrom, C., *Loron Aban Hahu Ohin - The Future is Today*, p.26. Brunnstrom notes, 'The frequent staff turnover must however be seen as a 'normal' deficiency of emergency programs.'

<sup>684</sup> "Transition, half way to independence, East Timor Observatory, 6 November 2000, Ref.: GOV01-06/11/2000eng; accessed March 2005 at <http://members.tip.net.au/~wildwood/NovTrans.htm>

<sup>685</sup> Aglionby, J., "Bungled UN aid operation slows East Timor's recovery", *The Guardian*, 30 August 2000; accessed Sept 2007 at <http://www.guardian.co.uk/world/2000/aug/30/indonesia.easttimor>

<sup>686</sup> World Bank and UNTAET, 'Background Paper for Donors Meeting on East Timor', Lisbon, Portugal, 21-23 June 2000, p.10, point 32.

complicated the work of the Timorese NGOs. They find it extremely tiring and time consuming to always have to renew relationships, to accept new approaches and repeatedly “not be recognized as reliable partners although we have more knowledge [about the context of East Timor] than any international staff”.<sup>687</sup> One local NGO felt the entire UNTAET period was characterized by the deployment of, “International staff, often here on short contracts with little ... understanding of East Timor’s history and culture”, and consequently had little loyalty to any East Timorese constituency.<sup>688</sup> Communication not just with local NGOs but between UNTAET departments was undermined by the practice of short term appointments. One observer noted that this practice, “Offered little scope for professional consolidation affecting staff loyalties,” and thus, “Establishing the necessary spirit was at times an uphill task.”<sup>689</sup> In summary, short donor timelines for programs implied short term contracts and these undermined international organisations’ coordination internally and with local organizations.

A related problem was donors’ desire, particularly in the emergency period, to get programs started in a rush. This rush meant they sometimes had insufficient time to find local NGOs to work cooperatively with. For example, an evaluator for Care conceded that, “CARE didn’t do adequate homework in finding local partners to operate with. They were caught up in the competitive rush of getting contracts for Capacity Building during the ‘open window’ season of AusAID.”<sup>690</sup> An AusAID report similarly noted that international organizations, “Did not do enough to identify competent East Timorese partner organizations at an early date to identify how to work with them, to give them authority and really empower them to be organizing communities and to carry out humanitarian relief work at an early stage.”<sup>691</sup> The Australian national Audit Office found that sampled transitional activities were prepared and approved within shorter than normal design timeframes, to enable AusAID to deliver assistance more rapidly. This meant that they did not go through AusAID’s full design processes. Reduced design processes included limited stakeholder consultation.<sup>692</sup> As late as 2002, NGO

<sup>687</sup> Brunnstrom, C., *Loron Aban Hahu Ohin - The Future is Today*, pp.25-26.

<sup>688</sup> ‘East Timor Faces Post-UNTAET Challenges’, *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

<sup>689</sup> Dunn, J., *East Timor: a rough passage to independence*, NSW: Longueville Media, 2003, p.369.

<sup>690</sup> Unnamed evaluator with CARE Australia, in unpublished interview with Deakin University Phd candidate, Leanne Black, 2002.

<sup>691</sup> *Australia’s Role in United Nations Reform*, Joint Standing Committee of Foreign Affairs and Trade, Australian parliament, Canberra, June 2001, p.105-106.

<sup>692</sup> ‘Aid to East Timor’, Australian Agency for International Development, Australian National Audit Office, The Auditor-General Audit Report No.20 2003–04, Performance Audit, p.6. Accessed Nov 2006 at

Forum was expressing concern about UNTAET's rushed time frame for consulting the Timorese public over the details of the country's new constitution, a core document in supporting the newly built government.<sup>693</sup>

Some observers have categorized the prioritization of donors' policies, international diplomacy and short program timelines as three parts of the same problem. An Australian academic declared, "In their efforts to appear non-political and professional, many INGOs have tended to decide for themselves what the Timorese people need and how they are going to get it. Efficient planning and accountability to 'home' INGO executives have been prioritised over sensitivity to needs on the ground and accountability to the East Timorese people". This, he continued, revealed, "A deeper structural dependency. INGOs are dependent on government aid bureaucracies, and on the goodwill of inter-governmental agencies. Regardless of the principles at stake, they are often too willing to do the bidding of these agencies, at the expense of the peoples they claim to serve".<sup>694</sup> Another observer argued that local consultation was often minimal because, "In Washington and Paris and London and Oxford and Berlin, there are desk officers insisting that the currently fashionable policy ... is carried out urgently".<sup>695</sup> Accountability to donor governments was being prioritized ahead of genuine consultation with Timorese.

In conclusion, internationals often prioritized achieving other tasks like emergency response and public administration ahead of capacity building. Other conflicting priorities affecting international institutions may have been international diplomacy, some organisations' free market ideology, and rushing to start or finish projects, while individuals may have prioritised 'the easy path' ahead of studying language and culture and ahead of helping rural organisations. These priorities led to reduced coordination with local organizations, meaning fewer opportunities to build trust, discuss capacity building needs and methodology, and share information – opportunities which could all have been important contributors to capacity building.

---

<http://www.anao.gov.au/WebSite.nsf/Publications/93CAC982CFB25A3BCA256E01001101DC>

<sup>693</sup> Fonseca, J., "Joint Statement: East Timorese and International NGOs To Dili Donors Conference," 2002-05-23; accessed 11 Jan 2005, at

[http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display\\_item=1](http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display_item=1)

<sup>694</sup> Goodman, J., "Partnership versus 'consultation' in East Timor", *AID/WATCH*, August 2000. Accessed August 2005 at <http://members.pcug.org.au/~wildwood/earlypartner.htm>

<sup>695</sup> Hanlon, J., "Can East Timor survive the aid industry? Some questions from Mozambique", *La'o Hamutuk Bulletin*, Volume 2, Nos. 3, June 2001.

## **Ineffective practice number 10 :**

**Many aspects of a supporting environment for institution building were given insufficient attention.**

**In particular, Insufficient attention was paid to addressing internal threats to security, promoting public ownership of and constructive engagement with government institutions, and providing facilities to support rural development**

Chapter 1 of this study noted a growing consciousness by development theorists of the need to build a whole supporting environment in which development could take place. That chapter mentioned only governance aspects of a supporting environment, like building a strong legal system, and adopting a sectoral approach to build private enterprise and civil society institutions alongside government. This section will broaden the definition of a supporting environment for institution building to include supportive public attitudes and rural infrastructure. The study has, in Chapter 3 and this chapter, identified problems with international efforts to build better known aspects of the supporting environment, namely governance and institutions to balance government power. The following section will analyse why public attitudes and rural facilities needed attention as part of the supporting environment for institution building, and evidence that they were given insufficient attention.

### **Insufficient attention to addressing internal threats to security**

Institution builders during the UNTAET period knew that an unstable security environment could have hindered institution building. At one donors' conference, it was stressed that, "The transition to full independence will not succeed and will not be sustainable unless ...a stable security and development environment are in place."<sup>696</sup> This truth was later emphatically demonstrated by the breakdown of law and order in 2006.

---

<sup>696</sup> United Nations Transitional Administration in East Timor and World Bank, *Background Paper for Donors Meeting on East Timor*, Brussels, 5-6 December 2000, p.7.

International organizations quickly and successfully established secure conditions for institution building. At the start of the reconstruction period, there was a dangerous concoction of four armed groups in East Timor: pro-independence FALINTIL guerillas, anti-independence militias, Indonesian security forces and newly arrived INTERFET international troops. Their presence posed a risk of security breakdowns that could lead to, “A breakdown of governance and society.”<sup>697</sup> Such breakdowns would also disrupt, among other things, building of institutions by threatening the infrastructure, flow of information and staff movement upon which such institution building depended. In comparison to many other post-conflict environments, however, East Timor faced relatively little risk of disruption. This was because two of the groups, the anti-independence militias and the Indonesian security forces, were in the process of withdrawing from the territory. The pro-independence FALINTIL had recently adopted a policy of not fighting, or at least not fighting in the townships. Moreover their political aims were largely the same as those of the institution builders so they did not want disruptions. The Indonesian security forces completed their withdrawal from East Timor by November 1999. The remaining militia bands were still threatening life and property, however their numbers – and therefore their threat – had already begun to diminish.<sup>698</sup> Also by 1 November 1999, The UN-mandated INTERFET peace-keeping force had established bases in all 13 districts of East Timor without meeting any real resistance.<sup>699</sup> When the INTERFET multinational peacekeeping force handed over security responsibility to UNTAET in February 2000, East Timor had, unusually for a post-conflict country, no violent internal divisions. This high level of internal security created a favorable climate for reconstruction.<sup>700</sup>

Alongside the deployment of troops, the international community had used diplomacy, reintegration programs, and law-making to stabilize the security situation. The armed wing of the pro-independence movement, FALINTIL, agreed to stay in cantonment, gathering in Ailieu township, more than an hour’s drive from Dili. Other steps to

---

<sup>697</sup> Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003, pp.105-106.

<sup>698</sup> *A Review of Peace Operations : A Case for Change - East Timor Study*, Conflict, Security and Development Group, Kings College London, 10 March, 2003, points 34-35.

<sup>699</sup> *A Review of Peace Operations : A Case for Change - East Timor Study*, Conflict, Security and Development Group, Kings College London, 10 March, 2003, pp.46, 49-50, 105-106.

<sup>700</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002. Exec summary, p.i. Accessed 9 Jan 2007 at

<http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

increase security included diplomacy to reduce Indonesian support for those militias who were still gathered near the East Timor border, and programs to integrate ex-militia members peacefully back into East Timorese society. Legislation was passed on 31 January 2001 to establish a national defence force, employing mostly ex-Falintil, while training and other opportunities were provided to help many other ex-Falintil find a role as peaceful civilians.<sup>701</sup> By 2001, implementation of more robust engagement by UN peacekeepers plus an Indonesian clampdown on militia activity in West Timor had led to improved security throughout East Timor.<sup>702</sup> Local and international institutions in East Timor were, at least from early 2001, relatively unhindered by fears for staff safety or threats to equipment or infrastructure. The UNDP in 2002 happily observed, “People are freely forming civil society organisations, the number of which has grown rapidly and the environment in which they are operating is broadly supportive and permissive.”<sup>703</sup>

However, resolving long term internal threats to security required much greater attention to diplomacy, reintegration programs and law-making, and required additional peace-building measures. Many of East Timor’s past conflicts were only partly addressed and might thus be re-awakened later, to the detriment of institution building. Box 4 below shows the kind of information available to institution builders in their search for short-term and long-term solutions to these conflicts.

#### Box 4

##### Nature of historical disunity

If institution builders required a united East Timor, even a brief study of Timor’s history would have provided some understanding of the intensity and causes of past conflicts. Warfare, including headhunting, was a way of life on the Island of Timor long before the Portuguese arrived and continued long afterwards. One scholar claimed warfare was part of ritual life, involving incessant conflicts to harvest heads, to the extent that sometimes

<sup>701</sup> United Nations Transitional Administration in East Timor and World Bank, *Background Paper for Donors’ meeting on East Timor*, Canberra, Australia, 14-15 June 2001, p.17.

See also, *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, points 50,52.

<sup>702</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King’s College London, 10 March 2003, point 39.

<sup>703</sup> “Situation Analysis of Civil Society Organisations in East Timor”, Dili : UNDP, 2002, p.4.

Timorese were too busy to harvest crops because, 'Headhunting could not be allowed to stop.'<sup>704</sup> When the Portuguese first visited Timor in the early sixteenth century, they noted 62 kingdoms in the east and 16 in the west.<sup>705</sup> From the 17<sup>th</sup> to 19<sup>th</sup> centuries, tribal wars in Timor furnished captives that were sold as slaves in Indonesia as far away as Jakarta and Palembang in the west and the Banda islands in the north-east. This conflict was so bad, suggested one anthropologist, that it kept the population of Timor Island from growing beyond 300 000 for three centuries.<sup>706</sup> By the end of the 19<sup>th</sup> century, even the well-armed Portuguese had failed to unite East Timor. As one Portuguese Governor explained in 1867, "Rebellion in Timor continues successively, leading us to conclude that revolt is a normal state and that peace is exceptional."<sup>707</sup>

After quelling a major uprising in 1912, the Portuguese gained some degree of control but fighting still broke out spasmodically against the Portuguese and between ethno-linguistic groups. An Australian commando during World War Two recalled that when the Portuguese Government ordered an attack on rebellious Timorese in Maubisse, neighbouring ethno-linguistic groups were happy to carry out the attack because, "Natives love a fight," and because, "The natives in the two areas around Ainaro and Same were Christians and not at all friendly with the non-Christians of Maubisse...Every village and crop was burnt; every woman, child and animal was driven off and fell as spoil to the victors. The tracks through that area were foul with the bodies of natives killed and just rolled out of the way...Compared with this, the Japanese efforts at subjecting areas were just child's play."<sup>708</sup> East Timorese continued to fight each other and outsiders in 1959, in the civil war of 1975 and during the Indonesian occupation of 1975-1999.

The above historical conflicts produced long standing rivalries<sup>709</sup> and ensured all East

<sup>704</sup> Jannisa, G., *The Crocodile's Tears : East Timor in the Making*, Sweden : Lund university Department of Sociology, 1997, p.77.

<sup>705</sup> Dunn, J., *Timor : A People Betrayed*, Queensland : Jacaranda Press, 1983, p.17

<sup>706</sup> Glover, I., *Archaeology in Eastern Timor*, Canberra : Australian National University, 1986, p.12

<sup>707</sup> Gunn, G.C., 'The 500 Year Timorese Funu', *Bulletin of Concerned Asian Scholars*, vol.32, Nos 1 and 2, Jan – June 2000, pp.7-8.

<sup>708</sup> Callinan, B., *Independent Company : the 2/2 and 2/4 Australian Independent Companies in Portuguese Timor, 1941-1943*, Heinemann : Melbourne, 1953, p.155

<sup>709</sup> Dionisio Babo-Soares (in "Challenges for the future", in J.J.Fox and Babo-Soares, D. (eds), *Out of the Ashes : the Destruction and Reconstruction of East Timor*, p.286) found in October 1999 that, "Those affected by the events in the 1990s still show an eagerness for retaliation, should the opportunity present itself."

The author of this study similarly recalled many East Timorese expressing animosity over perceived injustices committed by other groups in the past. In the Viqueque area, for example, groups were still engulfed in a cycle of paybacks stretching back to one group's siding with the Portuguese in the uprising of 1959.

Timorese were acquainted with violence. In the reconstruction period, these legacies threatened to reduce cooperation between ethno-linguistic groups, between former political parties and between individuals. Institution builders would need to address these legacies in order to create an environment of cooperation.

It seems part of the above historical disunity was attributable to foreign agitators. After all, it was Indonesians, Portuguese and Dutch who had bought Timorese slaves and had therefore encouraged the warfare that produced these slaves; during World War II Japanese and Australian soldiers both recruited Timorese to fight with them, while the abovementioned attacks on the Timorese of Maubisse were ordered by Portuguese government officials. All of this had exacerbated pre-existing ethnic divisions; the 1959 uprising against Portugal and allied Timorese ethno-linguistic groups was said to have been instigated by Indonesians. The 1975 civil war may be partly attributable to Indonesian agitation. In the Indonesian-Fretilin War that followed, many Timorese were recruited by Indonesia to fight against pro-independence Timorese and fighting was made more deadly with bronco jet bombers and other arms from many Western countries.<sup>710</sup> If part of the above historical disunity was attributable to foreign agitators, then part of the solution may have been to strengthen the economy and nationalist feeling in East Timor so Timorese might be less susceptible to such agitation.

Second, part of the above historical disunity may also be attributed to linguistic disunity, with more than 11 distinct languages and many more dialects being spoken in East Timor compared to just three different languages spoken in West Timor.<sup>711</sup> Contributing to this linguistic disunity was the physical separation of Atauro Island and the Oe cusse enclave from mainland East Timor. East Timor did have a common language, Tetum, but it could be argued that this was insufficiently promoted as a vehicle for national unity. During the UNTAET period, much media information was provided in Tetum but few official government documents were translated to Tetum and few international staff within UNTAET or other organizations could communicate in Tetum. Even after UNTAET handed over power to the newly independent

<sup>710</sup> Gunn, G., *A critical view of Western journalism and scholarship on East Timor*, Manila: Journal of Contemporary Asia Publishers, 1994, pp.78-79. For detailed information on recruitment of Timorese to fight for Indonesia, see *Chega! The Report of the Comissão de Acolhimento, Verdade e Reconciliação de Timor-Leste*, Reception, Truth and Reconciliation Commission, Dili, 2006, part iv, pp.18-25. Accessed March 2008 at [www.cavr-timorleste.org/](http://www.cavr-timorleste.org/)

<sup>711</sup> Hull, G., *Mai Koalia Tetum*, North Sydney: Australian Catholic Relief, 1996, pp.xi-xii.



Government of East Timor, more effort was devoted to promoting Portuguese language than promoting Tetum, with high level government documents often presented only in Portuguese language and with a new requirement introduced that all teachers be proficient in Portuguese. Tetum was a uniquely Timorese language and was spoken by 82% of Timorese, compared to only 5% and 2% respectively speaking Portuguese and English.<sup>712</sup> It could have been promoted as part of a campaign for nationalism and unity but it wasn't.

A third contributor to the above disunity may be topographical and technological barriers: ethnic groups are less likely to mix when they're separated by steep mountain ranges and when this separation is compounded by poor roads, radio and telephone communications. In 1972, there were only 5 kilometres of sealed road in all East Timor and it was only in that year that an automatic telephone exchange was installed in Dili to link it with 58 telephone stations in the interior.<sup>713</sup> When UNTAET handed over power, these barriers to unity remained. Roads to many villages in East Timor, and sometimes even to large towns like Ainaro and Los Palos, were still impassable during the rainy season. It was possible to subsidise transport costs to facilitate travel between towns and it was possible to build a telephone and television service to link Dili to all ethnic groups in rural Timor. The Indonesians had in fact achieved this but UNTAET had not.<sup>714</sup> Further details on institution builders' lack of attention to rural districts are provided later in this chapter. For now, suffice to say that most East Timorese continued to live in the mountains, where they continued to be cut off from other ethno-linguistic groups, and this may have bred ethnic rather than nationalist consciousness.

Another contributor to the above disunity was the feeling that many old scores had not yet been settled. The seeking of retribution by individual families or ethno-linguistic groups was still a strong aspect of East Timorese people's thinking, perhaps because they had never experienced the alternative – a single system of written laws enforced by a single government – applied fairly nationwide.<sup>715</sup> In late 2002, two ethno-linguistic groups east of Viqueque were beating, killing and stealing from each other as 'evening up' for attacks carried out during the 1959 Viqueque uprising and the

---

<sup>712</sup> *Ukun Rasik An : East Timor Human Development Report 2002*, Dili : UNDP, 2002, p.36.

<sup>713</sup> UN General Assembly official records, A/AC. 109/L.846 1973.

<sup>714</sup> Based on study author's observations while in East Timor in 1995, 1997-2002.

<sup>715</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 219.

Indonesian occupation.<sup>716</sup> Attempts to undermine East Timor's new police force, including attacks on police stations in 2002, were supported by East Timorese who felt the new police force was dominated by past Indonesian collaborators.<sup>717</sup> During the security crisis of 2006, the police force in Dili largely split according to those police loyal to senior ranks of the police force and those police who sided with the senior military command and viewed senior police as Indonesian collaborators. This split showed East Timorese sometimes found it difficult to cooperate with those Timorese who were their enemies in the past.

This occurrence of disputes and desire for retribution could have been minimized by greater attention to the justice system in general, and to processing particular criminal cases. Unfortunately, as one World Bank paper noted, stability and development in the first year after independence were undermined by, "The absence of legislation on the functioning of the justice system, ... and of property rights/land claims and commercial legislation."<sup>718</sup> A month before independence, the UN secretary general was told, "In the absence of a clear legal basis for land title and usage, issues of land ownership will continue to be problematic after independence." Furthermore, there had been no President of the Court of Appeal for several months, resulting in a backlog in appeals related to serious and ordinary crimes.<sup>719</sup> One review even suggested that UNTAET should have considered integrating traditional community-level conflict resolution mechanisms into the official justice system.<sup>720</sup> A longer-lasting unity could have been achieved if international organizations had better planned and implemented the justice system in East Timor.

<sup>716</sup> East Timor Press Review 5 November 2002, ETAN, accessed 13 February 2008 at <http://etan.org/et2002c/november/01-09/05etpres.htm>

For cases of land disputes between the same two ethno-linguistic groups, see 'Land and housing in Timor Lorosa'e: between hope and reality' (in Bahasa Indonesia), Kdadalak Sulimutuk Institute (KSI) conflict transformation and action research land and housing section, accessed 13 February 2008 at <http://www.eastimorlawjournal.org/ARTICLES/ksireportonlandhousingintimora.html>

<sup>717</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, footnote 56.

In addition to the attack on Baucau police station, there was a similar attack on Liquiça police station in late 2002. Having worked with the Liquiça district administration in early 2002, the study author knew some members of the Liquiça police force and was told many members of the public were dissatisfied with recruitment of former Indonesian collaborators into the police force in general.

<sup>718</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, p.20. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>719</sup> 'Report of the Secretary General on the United Nations Transitional Administration in East Timor', Report to the UN Security Council, 17 April 2002, p.4.

<sup>720</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, point 253.

Finally, a number of additional peace-building measures were adopted by international organizations, with varying success. UNTAET facilitated reconciliation meetings between pro-Indonesian militia and community or national level leaders in East Timor. National leaders also discussed amnesties for particular militia leaders, leading to UNTAET's establishment of a Commission for Reception, Truth and Reconciliation. Furthermore, UNTAET's facilitation of the return of East Timorese refugees from Indonesia was seen by many as an important measure to build social harmony. Certainly, the reintegration of returning refugees was an initial success, with 208,184 people repatriated and few serious incidents occurring during or immediately after their repatriation.<sup>721</sup> These measures dealt only with one source of conflict - that between pro-Indonesian and pro-independence groups - and were only really effective in addressing minor crimes and minor grudges. In December 2002, Timorese NGOs were still calling for, "An international tribunal to try the people who committed crimes against humanity against East Timor during the Indonesian occupation,"<sup>722</sup> and various groups are still calling in 2008 for such a tribunal.

Economic measures also needed to be taken. For example, jobs needed to be created right across East Timor since unrest over an UNTAET job creation scheme in 2000, "Was partly triggered by the impression that many of these newly created employment opportunities were going to Timorese from Dili to the exclusion of those outside the capital."<sup>723</sup> This threat remained unresolved. The UN Secretary General was told in January 2002 that employment was a factor behind demonstrations and could potentially affect internal security. He was further advised, "The promotion of a peaceful environment both feeds into, and depends upon, viable economic development."<sup>724</sup> By mid 2002, production in both the agriculture and fisheries sectors were expected to reach their pre-1999 levels,<sup>725</sup> however progress with other factors was less impressive. The World Bank viewed the generation of private sector growth and employment creation as, "Areas that should have received more attention during the transition period."<sup>726</sup> When

---

<sup>721</sup> *A Review of Peace Operations: A Case for Change, East Timor*, Conflict, Security and Development Group, King's College London, 10 March 2003, points 130 – 132, 272-276 and footnote 155.

<sup>722</sup> 'In Brief', *La'o Hamutuk Bulletin*, Vol. 3, No. 8, December 2002.

<sup>723</sup> Candio, P., and Bleiker, R., "Peacebuilding in East Timor," *The Pacific Review*, Vol.14, No.1, 2001, p.73.

<sup>724</sup> 'Report of the Secretary General on the United Nations Transitional Administration in East Timor' (S/2002/80), Report to the UN Security Council, 17 January 2002, pp.6-7.

<sup>725</sup> World Bank, 'Background Paper for Donors' Meeting on East Timor', Dili, 14-15 May 2002, p.8.

<sup>726</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002, p.iv. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

riots broke out on 4 December 2002, one NGO felt ‘massive unemployment’ had been one of the causes.<sup>727</sup> Limited achievements in reconciliation and employment creation meant limited impact on peace-building.

In summary, international organizations could have understood East Timor’s past conflicts more fully and could have done much to prevent these from re-surfacing, but they did not. The potential for ethnic disunity was clear from the historical record yet little was done to ensure ethnic balance at the top of powerful local institutions like the police force and FDTL defence force. The potential for resentment against those with past ties to the Indonesian government was clear from the historical record yet powerful local institutions like the police were allowed to be dominated by Indonesian collaborators. Factors that could have increased unity, like promotion of Tetum language and facilitation of travel and communication between districts, were not fully explored and problems like frustration over unresolved past injustices, land disputes, and unemployment were left to fester. Old and new tensions were left at a point where they could easily break out into conflict, undermining much good institution building work.

### **Insufficient attention to promoting public ownership of and constructive engagement with government institutions**

East Timorese attitudes towards government institutions at the start of the reconstruction period were complicated. On one hand most of the East Timorese who remained in East Timor were appreciative of the role of international institutions in facilitating the referendum for independence.<sup>728</sup> They also recognized that they had insufficient physical resources to reconstruct their country alone. These people were therefore initially eager to cooperate with the UN and the government it was setting up in their new country.<sup>729</sup>

---

<sup>727</sup> ‘Disorder in East Timor: The International Community Must Accept Responsibility’, *Lao Hamutuk Bulletin*, vol.3, no.8, Dec 2002.

<sup>728</sup> G.Robertson (in “With UNAMET in East Timor : an Historian’s Personal View”, R.Tanter, M.Selden and S.R. Shalom (eds) *Bitter Flowers, Sweet Flowers : East Timor, Indonesia and the World Community*, Oxford : Rowman and Littlefield, 2000, p.70) notes that the pro-independence umbrella group, CNRT, had a good relationship with the UN in August 1999. This is consistent with the study author’s own perceptions of relationships at the start of the reconstruction period.

<sup>729</sup> Babo-Soares, D., “Challenge of the Political Transition in East Timor”, in H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002, p.20.

On the other hand the East Timorese public had during Indonesian times developed a distrust of certain government institutions. Government-run hospitals and health centres during Indonesian rule had been frequently staffed by Indonesian doctors who did not want to be in East Timor and who were often inexperienced. These centres also had reputedly been used to trick or coerce local women in some areas into taking the sterilisation drug, Depo Provera. There were also stories of Timorese suspected of pro-independence activism who had disappeared after being taken to Government Hospitals.<sup>730</sup> Timorese at the start of reconstruction already trusted the church-run health centers but they needed to be convinced that government-run health centers would not be misused by the government in the future. Timorese had little faith in legal processes for resolving disputes or for electing representative government. The Indonesian occupation had led to a, “Decline in the public credibility of state law.”<sup>731</sup> A 2003 review similarly noted, “The legacy of problems within the Indonesian justice system had created widespread mistrust and lack of faith in formal state justice processes within the East Timorese community,” including a perception that it favoured powerful people like perpetrators of serious crimes or human rights violations.<sup>732</sup> The public too had little concept of local participation in government as district heads in Indonesian times were not elected democratically. Instead, they were appointed and controlled by the Governor in Dili and he was appointed and controlled by the central Government in Jakarta. One report went as far as to claim there had been, “No formal mechanism whereby the views of the district [could] be taken into account in the central planning process.”<sup>733</sup> Institutions like the Ministry of Justice, government-run health services, democratically elected local councils and the national parliament could not be fully effective without public cooperation. Historical legacies of mistrust needed to be broken down before this cooperation could be obtained.

Some other government institutions would require even more work to build the public’s trust and cooperation. Many East Timorese were scared the FALINTIL guerilla force

<sup>730</sup> Beazley, H., “East Timor: Prospects for the Future?”, *Development Bulletin*, Vol.48, April 1999, p.50.

For more detail on the Depo Provera claims, see Taylor, J.G., *Indonesia’s Forgotten War: The Hidden History of East Timor*, London: Zed Books Ltd, 1991.

<sup>731</sup> Babo-Soares, D., “Challenges for the Future”, in J.J.Fox and D.Babo-Soares (eds), *Out of the Ashes : the Destruction and Reconstruction of East Timor*, p.287. See also, Babo-Soares, D., “Judiciary Development in East Timor”, H.Soesastro and L.H.Subianto (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002,. P.65.

<sup>732</sup> *A Review of Peace Operations : A Case for Change - East Timor Study*, Conflict, Security and Development Group, Kings College London, 10 March, 2003, point 219.

<sup>733</sup> “Building Blocks for a Nation : The Common Country Assessment for East Timor”, Dili : UNDP and UN Country Team, November 2000, pp.95-96.

would, after becoming the country's national defence force, favour one political party or resort to human rights violations. After all, the Indonesian army had started as an independence movement and later been used to suppress political freedom. Moreover FALINTIL had its roots in the Fretilin movement, a movement that had committed many human rights abuses, particularly in the period 1975 – 1983.<sup>734</sup> East Timorese had never seen a model of a police service that they could trust so cooperating with the Government's future police service would be more difficult for them. Indonesian police had been widely despised for their corruption and for assisting the Indonesian army with committing human rights abuses against pro-independence East Timorese.<sup>735</sup> Up until 1 April 1999, the Indonesian police had actually been controlled by the head of the Indonesian armed forces and even after this date there was concern over, "Systematic ties between the army, police and militias."<sup>736</sup> Since a police force normally has more interaction with the public than does the military, it requires greater public cooperation to be effective. Institution builders would have needed to work hard to get this cooperation.

During the period 1999-2001, no significant criticism was made of international efforts to change Timorese attitudes to government, however there were frequent reminders that attitude changes were needed. As early as January 2000, the UN Secretary General was informed of, "The re-emergence of long-standing conflicts within the society."<sup>737</sup> An Oxfam report in 2000 noted, "Suspicion and lack of trust, remaining from the Indonesian times affects the collaboration. It is deeply rooted in society and will take time to change." Building of a successful government apparatus, it continued, would require, "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."<sup>738</sup> At the same time, a UNDP report advised,

<sup>734</sup> One extensive study calculated that, "49.0% (561/1,145) of documented killings and disappearances in 1975 were attributed to Fretilin, 16.6% (563/3,398) of documented killings and disappearances between 1976 and 1984 were attributed to Fretilin.\* Furthermore, 3.7% (18/488) of killings and disappearances between 1985 and 1998 were attributed to Fretilin and then in 1999 0.6% (5/898) of killings and disappearances were attributed to Fretilin.' See *Chega! The Report of the Comissão de Acolhimento, Verdade e Reconciliação de Timor-Leste*, Reception, Truth and Reconciliation Commission, Dili, 2006, part vi, p.8. Accessed March 2008 at [www.cavr-timorleste.org/](http://www.cavr-timorleste.org/)

<sup>735</sup> 'An Assessment of the UN's Police Mission in East Timor', *La'o Hamutuk Bulletin*, Vol. 3, No. 1: February 2002.

<sup>736</sup> Greenlees, D., and Garran, R., *Deliverance : The Inside Story of East Timor's Fight for Freedom*, Crows Nest, NSW : Allen and Unwin, 2002, pp.122, 127.

<sup>737</sup> 'Report of the Secretary General on the United Nations Transitional Administration in East Timor' S/2000/53, Report to the UN Security Council, 26 January 2000, p.4.

<sup>738</sup> Brunnstrom, C., *Loron Aban Hahu Ohin - The Future is Today*, Report on the Relationship between Timorese and International NGOs in East Timor, Dili :Oxfam, November 2000, pp.5, 101.

“Steps to re-establish the rule of law must address a range of challenges, including ... a history of public mistrust of the formal judicial system.” In the water supply sector, the report found, “Villagers’ attitude is reported to be that the operation and maintenance of water supplies was the government’s responsibility,” but that fortunately, “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.”<sup>739</sup> The head of UNTAET had, in 2000, recognized the need to develop, “A political culture that required the political leadership to make transparent decisions”,<sup>740</sup> and in July 2001 acknowledged the need, “To work with the traumatized and brutalized people of East Timor”.<sup>741</sup>

In 2002, more voices spoke of a need to change attitudes to government. A UNDP study in 2002 spoke of a need to channel, in new directions, “The skills and determination built up over years of struggle”, and to augment this with training and awareness-raising aimed at, “Cultural and behavioral change, not skills acquisition.”<sup>742</sup> Another UNDP paper called for a change in East Timor’s ‘Culture of dependence’ and lack of public participation in government, including a need to give communities more responsibility for running schools.<sup>743</sup> Yet another UNDP paper observed, “It goes without saying that East Timor has only a very limited history and experience of democracy. Engendering sustainable understandings of democracy in the country as a whole and within civil society is an ongoing challenge.”<sup>744</sup> Also, throughout the period September 1999-2002, there was recognition of the need for peace-building - for changing Timorese attitudes to groups holding other political beliefs. This peace-building was conducted through initiatives like repatriation of refugees, reconciliation between pro-independence and pro-Indonesian groups, voter education and democratic elections.<sup>745</sup> Institution builders had at least some awareness that building a democratic government simultaneously required developing democratic values amongst the East Timorese.

---

<sup>739</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, pp.66, 85, 95.

<sup>740</sup> De Mello (UN, Press Release SC/6882, 27-6-2000) in “Transition, half way to independence”, East Timor Observatory, 6 November 2000, Ref.: GOV01- 06/11/2000eng; accessed March 2005 at <http://members.tip.net.au/~wildwood/NovTrans.htm>

<sup>741</sup> ‘East Timor Faces Post-UNTAET Challenges’, *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

<sup>742</sup> Situation analysis of civil society organisations in East Timor, Dili: UNDP, 2002, p.5.

<sup>743</sup> *Ukun Rasik An: East Timor Human Development Report 2002*, Dili : UNDP, 2002, pp.33, 52-53.

<sup>744</sup> ‘Enhancing the Capacities of East Timorese Civil Society Organisations – Updated Report’, UNDP, Dili, August 2002, p.4.

<sup>745</sup> ‘Report of the Secretary General on the United Nations Transitional Administration in East Timor’ (S/2001/436), Report to the UN Security Council, 2 May 2001, points 6, 7, 13-18.

Unfortunately, whilst institution builders identified a need for democratic values, there was little pressure to actually meet this need. Reports from UNTAET's head to the UN Security Council had sectoral headings like 'refugees' and 'economy' but there was no requirement to report on democratization or attitude change. The institution building benchmarks established by UNTAET and the World Bank ahead of the Brussels Donor Conference in December 2000 similarly made no reference to democratization or attitude change. Reports to donors and to the UN Security Council did occasionally mention voter education and civic education but never analysed success in changing attitudes to government. One of the few analyses of progress in democratization came from CNRT leader Xanana Gusmão in December 2000, arguing that Timorese may, in endorsing democracy, "Try to copy something which is not yet clearly understood by them...Some think that mere political party membership is a synonym of democracy and, therefore, it does not need to be cared for. ...Some adults share the opinion that democracy demands that everyone must decide on everything." He further observed that many international staff who preached democracy had, in fact, little experience of democracy in their own countries.<sup>746</sup> Perhaps the clearest criticism of international efforts to change Timorese attitudes to government came in December 2002, after a mob attacked parliament house, several nearby businesses and the house of the Prime Minister. One local NGO argued, "The easy incitement of the crowd into violence stems not only from police overreaction, but also from ... limited mutual respect between government and civil society; frustration with the pace of democratic and economic development; widespread post-conflict and post-traumatic stress; lack of confidence in peaceful processes for change. Although UNTAET made some progress in addressing these problems, much remains to be done."<sup>747</sup> Institution builders may have recognized the need to change public attitudes but few were monitoring their success in doing this.

Many damaging attitudes to government had not been addressed. Oran Doyle, a liaison officer building links between schools in Ireland and East Timor, noted that government employees often covered for other government employees who were ill-disciplined, for example by signing their attendance sheet when they were in fact absent. They saw little value in taking initiative, and in turn discouraged this amongst any subordinates. Doyle felt systems should have been established in UNTAET times

<sup>746</sup> "Xanana Gusmão: The right to live in peace and harmony", *The Guardian* January 31, 2001. Accessed January 2008 at <http://www.cpa.org.au/garchve3/1031xan.html>

<sup>747</sup> 'Disorder in East Timor: The International Community Must Accept Responsibility', *Lao Hamutuk Bulletin*, vol.3, no.8, Dec 2002.



to punish lack of discipline and reward initiative, but these attitudes within government had gone unchecked.<sup>748</sup> A 2001 review of UNTAET's capacity building was more critical, noting that, "Concerns have been expressed that the UNTAET/ETTA system has an inbuilt risk-aversion approach to capacity development and decision-making. It is typical of many 'bureaucracies' that mistakes are penalized, that risk taking and innovation are not rewarded".<sup>749</sup> In July 2001, one sociologist from the Timorese diaspora added that Timorese were, "Impulsive(ly) antagonis(tic) vis-à-vis authoritative rule", with a, "Dominant political culture of resistance and occupation, lack of plurality of perspectives and critical analysis, severe practices of corruption and nepotism, [and] dependency syndrome."<sup>750</sup> In May 2002, as East Timor became independent, a local research NGO regretted that civic education programs in East Timor had, "Focused too narrowly on the voting process, and failed to create an understanding of representation and cooperation among elected officials. There was little discussion of how citizens can influence and/or cooperate with government, a highly necessary topic given a generation of popular resistance to an autocratic occupying force".<sup>751</sup> The 2006 political crisis, which stemmed from unaddressed historical grievances and perceptions of unfairness in governance, showed that many problematic attitudes remained. A wide range of problematic attitudes to government, held by both the public and government employees alike, had been insufficiently addressed by institution builders.

Only after the 2006 political crisis was there widespread recognition that capacity builders had paid attention to skills and institutional structures but not enough to changing Timorese attitudes to government. One observer wrote, "We know how to draw up new political institutions that conform, on paper, to our notions about prosperous, democratic societies...What today's nation-builders do much less effectively - if indeed they attempt it at all - is to heal the wounds or fill the gaps in a society's political culture." People like the East Timorese, he continued, needed to develop, "The capacity to resolve their differences civilly."<sup>752</sup> A long-time observer of

---

<sup>748</sup> Doyle, O., Irish liaison officer for school links project between East Timor and the Republic of Ireland, in unpublished interview with study author, 27 November 2002.

<sup>749</sup> *Capacity Development for Governance and Public Sector Management: Strategic Management Framework*, Dili : NPDA with support from UNDP, March 2001 (draft), p.13.

<sup>750</sup> Joao Boavida, internal report for the Civil Society Organizations, Sector Activities and External Liaison Section of UNTAET, July 2001, quoted in J., *The UN in East Timor : Building Timor Leste, a fragile state*, Charles Darwin University Press, 2005, pp.80-81.

<sup>751</sup> 'East Timor Faces Post-UNTAET Challenges', *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

<sup>752</sup> Mason, W., 'Own goals' only in East Timor, *Australian Financial Review*, Monday, July 3, 2006.

East Timor noted that Timor's history had given its people a 'resistance' mentality': "Politicians and political parties attack their adversaries' integrity, rather than propose alternative policies or build coalitions. Dissatisfied voters insult or give up on their elected representatives, rather than lobby them. ... Media coverage amplifies charges and counter-charges, without analysis or facts to help the reader decide what is true." Timorese, he argued, needed to develop an attitude of ownership of their government, and more constructive engagement.<sup>753</sup> Institution building in 1999-2002 should, in retrospect, have been supported by promoting a public sense of ownership of government institutions and constructive engagement with these institutions.

### **Insufficient attention to providing facilities to support rural development**

An important part of the supporting environment for institution building was the provision of facilities like roads, water supply, telecommunications, banks and public transport. Unfortunately, at the time of UNTAET's handover of power, these facilities were particularly underdeveloped in rural East Timor. The lack of facilities in rural Timor was surprising given that 76 % of the country's population lived in villages<sup>754</sup> and 85 % of the country's population lived outside the capital city.<sup>755</sup> On the eve of independence, one local NGO complained that, "Only 20% of East Timor's people have access to running water.... Minor upgrades and repairs have been made in Dili to get running water functioning again, but in the districts water is very limited ... outside Dili, few places have electricity more than a few hours per day, and often not every day... Roads around East Timor are in poor condition, especially in the villages and in the wet season... Transport, according to one UNTAET official, is 'a disaster.' The large number of UNTAET and PKF heavy vehicles has only worsened the situation, and many repairs are so poorly done that they deteriorate within weeks." The same report noted there was telephone access in the thirteen administrative centres of East Timor<sup>756</sup>, however most of this was either being dismantled, as the UN mission scaled

---

<sup>753</sup> Scheiner, C., 'Self-determination requires more than political independence: Recent developments in Timor-Leste,' La'o Hamutuk presentation for the conference on International Law and the Question of Western Sahara, Institute of Social Studies, Den Haag, Netherlands, 27-28 Oct 2006. Accessed in Nov 2006 at <http://www.laohamutuk.org/reports/06SelfDeterminationSahara.htm>

<sup>754</sup> *Ukun Rasik An – the Way Ahead: East Timor Human Development Report 2002*, Dili : UNDP, 2002, p.13.

<sup>755</sup> 'East Timor public administration public expenditure management and accountability note', the World Bank East Asia And Pacific Region: Poverty Reduction And Economic Management Sector Unit, April 2002, p.21.

<sup>756</sup> 'East Timor Faces Post-UNTAET Challenges', *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

down, or was soon-to-be dismantled, as the Australian telecommunications company used during UNTAET times was replaced by a Portuguese company in the post-UNTAET period.<sup>757</sup> In 2002, there were very few facilities to support institution building in rural East Timor.

Right from December 1999, there were warnings that the lack of facilities undermined building of government, private enterprise and civil society institutions in rural East Timor. A group of local and international NGOs informed donors in December 1999 of concerns that, ‘current development proposals appear predominantly urban-biased, when rural development and agriculture should be stressed.’<sup>758</sup> In 2000, institutions outside Dili remained at a disadvantage getting general information. Maubisse township in central Timor, for example, had government offices, a large coffee cooperative business, a women’s NGO, a youth NGO and the CNRT independence movement umbrella group. Though the town received a few copies of a bi-weekly UNTAET news publication, other Dili newspapers were rarely seen and radio UNTAET was ‘barely listenable’, even to the few who had radios.<sup>759</sup> At the same time, one UNDP-sponsored working group conceded development agencies were too focused on urban areas but suggested road quality and the number of trucks would need to increase before they could fully address this bias.<sup>760</sup> A November 2000 study found that transportation difficulties were undermining the traditional role of Dili markets, “In promoting trade between different food producing districts of the country.”<sup>761</sup>

In 2002, the environment outside Dili remained uncondusive. A World Bank report noted, “Recovery has been strongest in the capital, Dili.” It further noted that rice farmers had been affected by, “The poor state of much of the irrigation,” and that rural development suffered from, “The constraints imposed by the lack of banking facilities in rural areas.”<sup>762</sup> A second World Bank report expressed concern that only 4% of the

---

<sup>757</sup> Study author’s own observations while working for UNTAET and, later, a local NGO in East Timor in 2002.

<sup>758</sup> Hunt, J., ‘Building a new society: NGOs in East Timor’, *New Community Quarterly*, Vol 2 no 1 Autumn 2004; accessed May 2008 at <http://www.etan.org/et2004/october/22/29buildng.htm>

<sup>759</sup> Cunliffe, S., “Maubisse Sub-District – Situation Report”, Dili : Timor Aid, 23 May 2000.

<sup>760</sup> “Common Country Assessment Group on Sustainable Livelihoods”, Care, ILO, UNTAET, UNDP and World Vision, sponsored by UNDP Dili, 21 June 2000.

<sup>761</sup> *Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor : UNDP and team from other UN Agencies, November 2000, p.84.

<sup>762</sup> World Bank, ‘East Timor public administration public expenditure management and accountability note’, the World Bank East Asia And Pacific Region: Poverty Reduction And Economic Management Sector Unit, April 2002, pp.3, 22.

budget of the incoming government was being allocated to road transport and that this would undermine the agriculture sector.<sup>763</sup> Community organizations were clearly affected by the road transport system. Village leaders commented that community access to district level government was difficult, “Because of transport and communication difficulties”, while community based organizations ranked, “Facilities, particularly transport and communication,” as the second biggest challenge to their development, behind only lack of funding!<sup>764</sup> The UN acknowledged that development of the Timorese government-in-waiting was being, “Hampered by its limited infrastructure,” and remained, “Reliant on UNTAET for services such as telecommunications and registry.”<sup>765</sup> On the eve of East Timor’s independence, US AID observed that, “The departure of UNTAET has led to a reduction of government communication and transportation resources, the impact of which will be most felt by district administrations.” It further noted the country still needed, “A local government system that is transparent, accountable, participative and appropriate for East Timor.”<sup>766</sup> This was both a consequence and cause of the lack of rural facilities.

In conclusion, international institutions did not ignore theorists’ advice to build a supporting or enabling environment for institution building, however they did define this environment rather narrowly. Much effort was made to prevent armed threats to security and some effort was made to reconcile pro-Indonesian and pro-independence groups, however a supporting environment for institution building required more than this. In particular, it required more attention to promoting unity and resolution of past injustices, more attention to promoting public ownership of and constructive engagement with government institutions, and more attention to facilitating rural development.

---

<sup>763</sup> World Bank, ‘Background Paper for Donors’ Meeting on East Timor’, Dili, 14-15 May 2002, p.12.

<sup>764</sup> UNDP, Situation Analysis of Civil Society Organisations in East Timor, Dili, 2002, pp.29, 41.

<sup>765</sup> ‘Report of the Secretary General on the United Nations Transitional Administration in East Timor’, S/2002/80, Report to the UN Security Council, 17 Jan 2002, p.10.

<sup>766</sup> ‘USAID Field Report East Timor May 2002’, accessed 13 Feb 2008 at [http://www.usaid.gov/our\\_work/cross-cutting\\_programs/transition\\_initiatives/country/timor/rpt0502.html](http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/country/timor/rpt0502.html)

## **Evidence that Ineffective practice number 10 stemmed from the conflicting priorities of international development institutions**

Many of the above deficiencies in creating a supporting environment for capacity building can be attributed to international organisations' conflicting priorities.

One priority that had both positive and negative effects for institution building, in particular for addressing internal threats to security, was UNTAET's avoidance of many tough decisions. In leaving many tough decisions until after independence, UNTAET was prioritizing devolution of important decisions to an elected government or prioritising popularity. This devolution to an elected government set an example of democracy. However it arguably weakened the future security environment in which institutions would operate. A World Bank paper suggested that, "Tough policy decisions, for example on property rights [and] veterans' policy... should have been taken much earlier on to avoid transferring difficult political decisions to the new independent government."<sup>767</sup> An even tougher policy decision that in hindsight would have aided institution building would have been for UNTAET to delay independence itself, resisting mounting Timorese pressure for a rapid handover. The UN Secretary General himself was aware that many institution building needs remained unfulfilled, "Including law enforcement and the judicial system, as well as consolidation of the framework for economic and social development."<sup>768</sup> Others would later argue that delaying independence may have allowed building of important security mechanisms like civilian oversight of the security forces, as well as allowing the development of a democratic political environment in general.<sup>769</sup> UNTAET's prioritization of democracy or popularity ahead of tough decisions meant important justice and reintegration decisions were delayed and the security apparatus in East Timor was left incomplete.

---

<sup>767</sup> Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, Nov 2002, p.iv. Accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

<sup>768</sup> 'Report of the Secretary General on the United Nations Transitional Administration in East Timor', Report to the UN Security Council, 17 April 2002, p.1.

<sup>769</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a Fragile State*, Charles Darwin University Press, 2005, pp.92-93, 103.

Donor prioritization of short time lines, discussed earlier in this chapter, led to short-term contracts, and these also impacted on international staff's awareness of internal threats to national security. These short term contracts, perhaps combined with individuals' preference for 'the easy path', demotivated many international staff from studying local history, culture and language. The subsequent lack of awareness of local tensions is reflected in key documents by international organizations in 2002. The UNDP's 2002 Human Development Report for East Timor listed seven goals and recommended strict anti-corruption controls and new roles for NGOs but made no mention of the need to build peace and unity.<sup>770</sup> Similarly, the World Bank's 2002 publication, "East Timor: Policy Challenges for a New Nation", mentioned human resource development needs and mentioned historical reasons for illiteracy but made no recommendations regarding peace or national unity.<sup>771</sup> This disinterest in nascent conflicts occurred even though many districts of Timor felt a clear need for peace-building. Consultations in early 2002 found that several districts listed, "Reconciliation, peace and security... as important priorities. In Viqueque and Liquiça for example, reconciliation is the fourth priority."<sup>772</sup> The prioritization of short term contracts and the easy path led to a lack of consciousness of the variety of peace-building efforts needed. This contributed to blunders such as the recruitment of high numbers of Indonesian collaborators into the police force and the lack of attention paid to resolving ethnic rivalries, paid to boosting long term employment and paid to promoting national unity.

Conflicting priorities of international institutions certainly contributed to institution builders' inability to change Timorese attitudes to government. First, international organisations' use of short contracts contributed to internationals' lack of awareness of local language, history and culture, and this would have undermined their understandings of Timorese attitudes to government. Second, Chapter 3 of this study noted that the UN in particular contained selfish individuals and often favoured humanitarian and security objectives, diplomacy with Indonesia, and 'a preoccupation with appearances' ahead of institution building. In addition to these conflicting priorities, and perhaps partly because of them, the UN set a bad governance example in terms of bureaucracy, economic waste, authoritarianism and lack of transparency. Finally, the rapid handover from UNTAET reduced the amount of time internationals

---

<sup>770</sup> *Ukun Rasik An : East Timor Human Development Report 2002*, Dili : UNDP, 2002, pp.27, 38-40.

<sup>771</sup> *East Timor : Policy Challenges for a New Nation*, Dili : World Bank, 2002, pp.54-55.

<sup>772</sup> World Bank, 'Background Paper for Donors' Meeting on East Timor', Dili, 14-15 May 2002, p.3.

had to support programs to change Timorese attitudes. UNTAET's rapid handover of power, according to one NGO director, denied it the chance to build public understandings of democracy and address unproductive attitudes within government, such as a preoccupation with status symbols, corruption, privileges, and patronizing behaviour.<sup>773</sup> Institution builders' inability to change Timorese attitudes to government appears to have been undermined by conflicting priorities within the UN more so than within other organizations.

Two conflicting priorities may have limited provision of facilities in the districts. The simplest of these was institution builders' prioritization of 'the easy path' of living in Dili. An UNTAET review noted the districts suffered ongoing shortages of international staff and tended to receive people who were less skilled than those in Dili.<sup>774</sup> This lack of staff, especially skilled staff, to advocate on behalf of the districts, probably contributed to the lack of facilities provided in the districts. The reasons for the lack of staff, based on the difficulties of rural life, have been described earlier in this section. A cyclic effect is apparent, with lack of facilities causing lack of international staff and lack of international staff contributing to lack of pressure to fund and organize rural facilities.

A more complex set of conflicting priorities relates to the location of decision-makers. First, UNTAET was unwilling to decentralize much of their finance management and the World Bank was only willing to decentralize one component of its TFET fund (the CEP fund). A World Bank paper noted that within the UNTAET-led government, "Authority for the commitment and disbursement of funds is extremely centralized," and that only 7% of the 2001-2002 budget of the Timorese Government-in-waiting was authorized at district level. It further noted that an even smaller portion of the World Bank-administered TFET fund was authorised at district level. The same report also noted that, "Certainly in most agencies, district and field level managers do not appear to have participated actively in the budgeting process."<sup>775</sup> A second priority contributing to this same centralization of spending authority was UNTAET's unwillingness to move from its normal procurement rules, resulting in its opposition to, "Proposals to give

---

<sup>773</sup> Federer, J., *The UN in East Timor : Building Timor Leste, a Fragile State*, Charles Darwin University Press, 2005, p.102.

<sup>774</sup> *A Review of Peace Operations : A Case for Change - East Timor Study*, Conflict, Security and Development Group, Kings College London, 10 March, 2003, points 175-176.

<sup>775</sup> 'East Timor public administration public expenditure management and accountability note', the World Bank East Asia And Pacific Region, April 2002, pp.iii, 30.

district administrations discretionary spending powers.”<sup>776</sup> Perhaps a third conflicting priority was the need for caution in entrusting spending authority to people far away or to offices with limited ability to safely store money. As one report noted, “Owing to the lack of banking facilities in rural areas, District Administrations’ Finance Officers have to hold funds and make payments in cash.”<sup>777</sup> In summary, UNTAET’s and the World Bank’s prioritization of centralized financial management, presumably for reasons of power hunger or a mistrust of district-level capacity or honesty, meant spending decisions were made by people who lived in Dili, far from the hardship of rural life.

Thus, this section has argued that more attention should have been paid to addressing internal threats to security, promoting public ownership of and constructive engagement with government institutions, and providing facilities to support rural development. This in turn would have provided a more supportive environment for effective and durable institution building across East Timor. A number of conflicting priorities lay behind this lack of attention, but the only one not mentioned in previous sections of the study is prioritization of centralized financial management in Dili ahead of delegating such power to people in districts or to offices with limited ability to safely store money.

## **Conclusion of Chapter 4**

In concluding this chapter, the documentary evidence shows 5 ineffective practices that undermined the building of government institutions, civil society institutions and private enterprises in general in East Timor. These were:

- The type of training / mentoring provided to members of local institutions was frequently not the most appropriate, or the particular Timorese staff chosen to participate in training programs were frequently not the most appropriate.
- International institutions produced a bubble economy. This reduced local businesses’ ability to sustainably make profits and drew high quality Timorese workers away from work in local institutions.
- The quality of monitoring and evaluations of capacity building programs (including the quality of performance indicators) was frequently poor.

---

<sup>776</sup> *A Review of Peace Operations : A Case for Change - East Timor Study*, Conflict, Security and Development Group, Kings College London, 10 March, 2003, point 171.

<sup>777</sup> World Bank, ‘East Timor public administration public expenditure management and accountability note’, the World Bank East Asia And Pacific Region: Poverty Reduction And Economic Management Sector Unit, April 2002, pp.iii, 40.



- There was a frequent lack of communication within UNTAET and between institutions. This undermined efforts to build the capacity of local institutions. There was a frequent lack of communication within UNTAET and between institutions. This undermined efforts to build the capacity of local institutions.
- Many aspects of a supporting environment for institution building were given insufficient attention. In particular, Insufficient attention was paid to addressing internal threats to security, promoting public ownership of and constructive engagement with government institutions, and providing facilities to support rural development

A major reason for the occurrence of these five ineffective practices was that international organisations had other priorities that sometimes conflicted with institution building. These were:

- Fulfilling other UN mission objectives that competed with institution building for UN resources and for officials' attention. The main competing objectives were maintaining security, administering the country and supporting provision of humanitarian aid.
- Donors' frequent preference for short program timelines.
- Putting skilled local staff in their own international organizations ahead of putting skilled local staff in local organizations.
- Donors' economic objectives like promoting their products and recycling money back to the donor-country.
- Purchasing higher quality goods and services, usually meaning from outside East Timor, while making insufficient effort to improve the quality of local goods and services.
- Donors' and international finance institutions' objectives to influence the policies of the Timorese government, including the creation of a free market economy.
- Centralized financial management in Dili rather than to people in districts or to offices with limited ability to safely store money.
- Some individuals' prioritization of 'the easy path' ahead of studying language and culture and ahead of helping rural organisations.
- Many individuals' selfish desire not to stay long in East Timor, and not to live outside the capital city.
- Some individuals' prioritization of personal rivalries.

Chapter 3 identified five ineffective practices that were particularly common to government institution building, while Chapter 4 shows that there were some ineffective practices that were common in the building of all kinds of institutions. However, all ten ineffective practices seem to have been at least partly attributable to conflicting priorities. Moreover, most of the particular conflicting priorities that undermined government institution building in Chapter 3 also re-appear in this chapter as practices undermining institution building in general. The most common among these were donors' frequent prioritization of short timelines and home-country economic objectives, and individual institution builders' desire for 'the easy path'. In other words, the same conflicting priorities appear to have contributed to a range of different ineffective practices.

### Conclusion

The experience of East Timor under international administration (1999-2002) has revealed a range of practices that hindered institution building in that country. More controversially, all of these negative practices were found to be at least partly attributable to a root cause – that of conflicting priorities of international institutions. I will now summarise the findings at these two levels before drawing conclusions about their significance for future institution building.

In Chapter 1 of this study, I identified a list of institution building best practices that would have been available to institution builders during the 1999-2002 period.

In Chapters 3-4 of this study, I examined written and oral records of the Sept 1999 – December 2002 period, plus some later documents that related to this period. From these, a range of ineffective practices and conflicting priorities were identified.

By consolidating lists of ineffective practices at the end of Chapters 3 and 4, the study arrived at the following list of 10 practices by institution builders in East Timor in the period which actually harmed institution building:

1. A slow start and early scaling down of government institution building;
2. Recruiting institution builders who lacked understanding of local culture and language, lacked teaching or technical skills, or lacked commitment;
3. Slowness to consult with local people and give government decision-making experience to them;
4. Setting a bad governance example in terms of bureaucracy, economic waste, authoritarianism and lack of transparency.
5. Establishing unclear or inappropriate government systems while ignoring many pre-1999 structures, skills, and procedures which could usefully have been built upon.
6. Providing an inappropriate type of training / mentoring to members of local institutions, or allowing an inappropriate choice of particular Timorese staff to participate in training programs.

7. Producing a bubble economy. This reduced local businesses' ability to sustainably make profits and drew high quality Timorese workers away from work in local institutions.
8. Poorly conducting monitoring and evaluations of capacity building programs (including the quality of performance indicators).
9. A frequent lack of communication within UNTAET and between institutions. This undermined efforts to build the capacity of local institutions. There was a frequent lack of communication within UNTAET and between institutions. This undermined efforts to build the capacity of local institutions.
10. Paying insufficient attention to many aspects of a supporting environment for institution building. In particular, Insufficient attention was paid to addressing internal threats to security, promoting public ownership of and constructive engagement with government institutions, and providing facilities to support rural development.

The first five practices in the above list were ineffective practices more commonly attributed to building of the East Timor government rather than to building of local institutions in general. The main organization making these mistakes was the United Nations Transitional Authority in East Timor, though international financial institutions and donors were also occasional offenders. Practices 6 – 10 in the above list were mistakes made not specifically in the building of the East Timor Government but rather in the building of local institutions in general. The main offenders in this case were international institutions in general.

It should once again be emphasized that the UN and other international institutions did a lot of very effective work in addition to making the abovementioned mistakes, and that this study makes no attempt to rate their overall effectiveness. I can merely conclude that there was room for improvement and that any future institution building program, either within East Timor or elsewhere, should consider how it can minimize the frequency or impact of the above ten mistakes.

The study contains a second argument that should also be considered by future institution builders. This is that a root cause of most of the above ten mistakes was not individual lack of knowledge or lack of motivation. This root cause was at an institutional level, specifically that other priorities within international organizations frequently overrode development priorities.

The first suggestion of the existence of conflicting priorities is gained when the list of ineffective practices in East Timor is compared with the list of advice at the end of Chapter 1 (this comparison is made clearer in Box 5 below). Such a comparison shows that even though the best practice advice in column one was available to institution builders in the September 1999 – December 2002 period, they frequently failed to heed such advice. Of the ten mistakes listed in Box 10 below, nine could have been avoided just by following existing best practice advice. The only one which was a relatively new mistake was, “The UN’s focus on its institution building task began late and was scaled down too early.” International institutions either forgot the nine points of best practice advice or deliberately placed these behind other higher priorities.

Box 5

Advice available for institution builders in the Sept 1999 – December 2002 period:	Main mistakes made by institution builders in the Sept 1999 – December 2002 period:
<p>1. To develop <u>skills and positive attitudes</u> within local institutions:</p> <p>a. Increase amount of long term and ‘on the job’ learning, for institute members instead of ad hoc workshops. Beware of technical assistants who take over locals’ responsibilities.</p> <p>b. Assist with the recruitment and retention of quality staff for the institution.</p>	<p><b>Ineffective practice number 6 : The type of training / mentoring provided to members of local institutions was frequently not the most appropriate, or the particular Timorese staff chosen to participate in training programs were frequently not the most appropriate.</b></p> <p><b>Ineffective practice number 7 : International institutions produced a bubble economy. This reduced local businesses’ ability to sustainably make profits and drew high quality Timorese workers away from work in local</b></p>

	<b>institutions.</b>
<p>2. To develop <u>coordination, sustainability and procedural aspects</u> of local institutions:</p> <p>a. Increase levels of coordination and cooperation (within local institutions, between local institutions, between local and international institutions and between donors). Help build structural linkages that will facilitate long term coordination.</p> <p>b. Broaden funding sources and leadership base of local institutions.</p>	<p><b>Ineffective practice number 9 : There was a frequent lack of communication and cooperation within local institutions, between local institutions, between local and international institutions and between donors.</b></p>
<p>3. To develop <u>both aspects</u> of local institutions:</p> <p>a. Aim for ‘human’ development (improving all lives), not just macroeconomic development.</p> <p>b. Consult carefully with locals during the design and implementation of capacity building programs (ie. Use the ‘participatory approach’). This will increase local commitment and facilitate building upon previous structures, skills and</p>	<p><b>Ineffective practice number 3 : The UN was slow to give government decision-making experience to Timorese. Donors and international finance institutions working with government institutions were also sometimes reluctant to devolve decision-making authority.</b></p>

procedures.	<b>Ineffective practice number 5 : Systems often proved, as international assistance was reduced, to be unclear, ineffective or unsustainable. Many pre-1999 structures, skills, and procedures could have been built upon but were instead ignored.</b>
c. Develop supporting environments, not just individual projects.	<b>Ineffective practice number 10 : Many aspects of a supporting environment for institution building were given insufficient attention.</b>
d. Increase aid agencies' accountability (both to locals and the international community) through improved monitoring and transparency.	<b>Ineffective practice number 8 : The quality of monitoring and evaluations of capacity building programs (including the quality of performance indicators) was frequently poor.</b>
	<b>Ineffective practice number 4 : The UN, though trying to teach East Timorese about government, set a bad example in terms of bureaucracy, economic waste, authoritarianism and lack of transparency.</b>
e. Ensure capacity builders / mentors understand local culture and language and have sufficient teaching skills, technical skills and commitment.	<b>Ineffective practice number 2 : The UN recruited many institution builders who lacked understanding of local culture and language, lacked teaching or technical skills, or lacked commitment</b>
f. Minimise, where politically possible, the influence of donor and implementer priorities	<i>A large number of donor and implementer priorities conflicted with institution building (see end of Chapter 5 for list).</i>

(including speed and extent of international funding) that conflict with development priorities.	
	<b>Ineffective practice number 1 : The UN's focus on its institution building task began late and was scaled down too early.</b>

The evidence points to many different kinds of conflicting priorities, summarized at the end of Chapter 4. Some conflicting priorities seem to have more clearly and dramatically undermined institution building, since they were cited more often in the documentary evidence. These were:

- Donors' frequent preference for short program timelines and the UN's preference for a hasty scaling down of its mission.
- Some individual capacity builders' preference for 'the easy path'. Some measures, though allowing increased understanding of local context or increased use of local resources, were avoided because they were considered risky, time-consuming, or less comfortable.
- Fulfilling other UNTAET mission objectives that competed with institution building for UN resources and for officials' attention. The main competing objectives were maintaining security, administering the country and supporting provision of humanitarian aid.

The predominance of short program timelines, including the hasty scaling down of the UN mission, had many detrimental effects. It led to short-term contracts, which affected some international staff's motivation to learn about East Timor and commitment to East Timor's development in general. It meant reliance on a handful of skilled but unelected Timorese, mainly from the diaspora, to plan the handover. It also meant less time to promote public ownership of and constructive engagement with government institutions and to provide facilities to support rural development. Most importantly, it meant planning, monitoring or implementation of programs was not always sufficiently careful to maximize learnings, local commitment and sustainability. Many useful pre-existing structures, skills, and procedures were ignored. Too often, institution building was rushed.



The second conflicting priority undermined the effectiveness of staff at an individual level but was tolerated by the institutions that employed them. This was many individuals' preference for 'the easy path.' For example, UNTAET officials often chose systems that suited UNTAET rather than the new government, and were reluctant to adapt normal UN procedures and structures to the unusual context they faced in East Timor. This led to the implementation of many inappropriate systems and to many Timorese feeling their knowledge and systems were undervalued. Furthermore, some international decision-makers favoured purchasing higher quality goods and services, usually meaning from outside East Timor, while making insufficient effort to improve the quality of local goods and services. This undermined development of local skills and businesses and sometimes set an example of economic waste – all detrimental consequences to institution building. Other examples were that many individuals avoided studying language and culture, and many individuals preferred not to stay long in East Timor. This all undermined their understanding of indigenous institutional procedures, skills and structures that could be built upon, as well as of gaps in the national unity and democratization process. Most obviously, it limited their ability to understand and communicate with those whom they were expected to teach.

The third main conflict undermining institution building was one that was harder to avoid. This was competition for limited resources by different sectors. Maintaining security, supporting provision of humanitarian aid and administering the country have been identified as other priorities which diverted attention and other resources from institution building. The first two were particularly high priorities in the first twelve months of the UN intervention, and the speed with which success was required in security and humanitarian aid often came at a cost of transparency, democracy and communication with all stakeholders. The third undermined devolution of government decision-making authority to Timorese. All three priorities perhaps contributed to the bubble economy, lack of monitoring for learnings, and the adoption of unsustainable systems since they focused more on meeting present rather than future needs. However there was widespread support for diverting resources to these sectors and few people posed solutions to this particular conflict of priorities.

### **Priorities that conflicted less frequently with Institution Building**

Other conflicting priorities appeared to occur less frequently or were less certainly the actual causes of the ten problems mentioned above. These priorities were:

- Interdepartmental rivalry within the UN in New York.

- Diplomatic priorities like appeasing Indonesia and deploying advisers from a multiplicity of different backgrounds.
- Donors' economic objectives like promoting their products and recycling money back to the donor-country.
- Donors' and international finance institutions' objectives to influence the policies of the Timorese government, including the creation of a free market economy.
- International organizations putting skilled local staff in their own international organizations ahead of putting skilled local staff in local organizations.
- International organizations centralizing financial management in Dili rather than delegating to people or to offices in districts where there were limited facilities to safely store money.
- Some individual officials' selfish motivations, including job retention, career advancement and even corruption.
- Some individuals' prioritization of personal rivalries.

Interdepartmental rivalry within the UN has been listed among the 7 less damaging conflicting priorities above as it had less impact after the first 12 months. The deployment of advisers from a multiplicity of different backgrounds was more damaging for some institutions, like the FDTL and police force, but for many others it was not raised as a concern. Use of boomerang aid varied widely from donor to donor and goods and skills from the donor country were indeed sometimes a good choice so it is difficult to gauge to what extent boomerang aid undermined institution building. Similarly, it is difficult to assert that international finance institutions' promotion of 'small government, free market' solutions was a major detriment to institution building, since different people have different ideologies of what constitutes suitable macro-economic policy for East Timor. The above 7 conflicting priorities were all mentioned less frequently as problems compared to the three main conflicting priorities: short program timelines, favouring 'the easy path', and competition for resources by security, humanitarian aid and other sectors.

### **How can we avoid making the same mistakes in the future ?**

There is sufficient evidence in this study that knowledge of best practice in the 1999-2002 period did not always mean implementation of best practice. Many ineffective practices did occur, both in the building of government institutions and institutions in general. Institution builders need to identify and combat root causes of these ineffective practices.

This study submits that conflicting priorities of international organizations are a root cause of many ineffective practices. It details the far reaching impacts of conflicting priorities of international institutions in East Timor. If future institution builders can minimize the presence, or at least the negative impacts, of priorities that conflict with institution building, they are more likely to be able to follow best practice advice and the result is likely to be stronger institutions.

It was noted above that not all conflicting priorities can be fully avoided. However, steps can be taken to address many conflicting priorities. For example, more efficient monitoring and more robust reward and punishment schemes can be introduced to prevent individuals from taking the easy path in institution building, or from prioritising selfish goals like career advancement or corruption. Institutions that are unable to commit to longer institution building time frames may need to find longer term sources of funding or otherwise leave institution building to those that can commit to longer timeframes. Also, to minimize the presence, or at least the negative impacts, of new conflicting priorities in the future, there is a need to search for new conflicting priorities. This may involve more ‘macro-evaluations’, analysing many programs and international institutions at the same time, as this study has done. Once new conflicting priorities are found, institution builders need to make adjustments, either at program level or policy level, to minimize the harmful impact of these conflicting priorities.

There is a multitude of priorities that co-exist within each international aid organization. Some of these priorities undermined institution building in East Timor. It is hoped this study can motivate and assist institution builders in the future to identify and address conflicting priorities in future institution building programs.

## GLOSSARY

---

- CEP – Community Empowerment Project, run by the World Bank in East Timor.
- CNRT – Conselho Nacional da Resistencia Timorenses (National Council of Timorese Resistance, the Timorese pro-independence umbrella movement which was active immediately before and after the 1999 referendum)
- DPKO – Department of Peace Keeping Operations (a UN department)
- ETTA – East Timor Transitional Authority (the parallel Timorese administration set up alongside UNTAET to gradually take over the functions of UNTAET).
- FALINTIL - The armed wing of the pro-independence movement. Immediately before and after the referendum, Falintil agreed to only carry weapons in specially designated camps in rural East Timor, called cantonments.
- INTERFET – International Force for East Timor (a UN supported, Australian-led peace-keeping force that restored peace in East Timor ahead of arrival of UN peace-keepers in February 2000).
- JAM – Joint Assessment Mission (a World Bank-led mission in late 1999 to assess East Timor's needs).
- NCC - National Consultative Council (body of Timorese representatives, undemocratically chosen by UNTAET to advise UNTAET; in 2000, the NCC was superseded by the more broadly representative 'National Council').
- NPDA - National Planning and Development Agency (set up by UNTAET within the parallel Timorese administration to assist with planning the transition).
- OECD - Organisation for Economic Co-operation and Development, an international organization whose aims include assisting other countries' economic development and contributing to growth in world trade. It is made up of 30 developed countries which, their website explains, are committed to democracy and the market economy. <sup>778</sup>
- PASCs - Pilot Agricultural Service Centres (private enterprises established by the World Bank to provide services to farmers).
- TFET - Trust Fund for East Timor (a multi-donor trust fund administered by the World Bank).
- UNTAET - United Nations Transitional Administration in East Timor (the UN mission overseeing East Timor's transition to an independent nation).

---

<sup>778</sup> OECD website, accessed May 2008 at [http://www.oecd.org/pages/0,3417,en\\_36734052\\_36734103\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/pages/0,3417,en_36734052_36734103_1_1_1_1_1,00.html)

## BIBLIOGRAPHY

---

‘A Closer Look at the UNTAET Budget’, *La'o Hamutuk Bulletin*, Vol. 2, No. 1 & 2: April 2001.

“A popular challenge to UNTAET’s achievements”, Written by an as yet unnamed group of East Timorese linked to RENETIL which includes Dr Lucas da Costa and Jose Antonio Neves.

Accessed Sept 2003 at <http://members.pcug.org.au/~wildwood/01seppopular.htm>

Aditjondro, G., “From Colony to Global Prize: Timor Loro Sa'e Under a New Wave of Economic Transformation”, *Arena*, Issue 47, June - July 2000. Accessed September 2007 at <http://www.arena.org.au/Archives/Mag%20Archive/Issue%2047/features47.htm>

Aditjondro, G., *Timor LoroSae on the Crossroads*, Jakarta : Centre for Democracy and Social Justice Studies, 2001.

Aglionby, J., “Bungled UN aid operation slows East Timor's recovery”, *The Guardian*, 30 August 2000; accessed September 2007 at <http://www.guardian.co.uk/world/2000/aug/30/indonesia.easttimor>

‘Aid to East Timor’, Australian Agency for International Development, Australian National Audit Office, The Auditor-General Audit Report No.20 2003–04, Performance Audit. Accessed Nov 2006 at <http://www.anao.gov.au/WebSite.nsf/Publications/93CAC982CFB25A3BCA256E01001101DC>

‘Analyzing Australian Assistance to East Timor’, *La'o Hamutuk Bulletin*, Vol. 3, No. 8, December 2002.

‘An Assessment of Pilot Agricultural Service Centers in East Timor’, *The La'o Hamutuk Bulletin*, Vol. 3, No. 1: February 2002.

Anderson, T., “The Asian Development Bank and Privatisation in East Timor”, Aidwatch Briefing Note, October 2002; accessed January 2005 at [http://www.aidwatch.org.au/index.php?current=68&display=aw00164&display\\_item=1](http://www.aidwatch.org.au/index.php?current=68&display=aw00164&display_item=1)

Anderson, T., 'The World Bank in East Timor', Aidwatch Briefing Note, June 2001. Accessed December 2002 at <http://members.pcug.org.au/~wildwood/01julwb.htm>

Asian Development Bank, *Asian Economic Outlook*, New York : Oxford Uni Press, 2002.

Asian Development Bank, *Fourth Progress Report on East Timor*, Asian Development Bank for Donor's Council Meeting, Dili, 14-16 May 2002.

Asian Development Bank, *Mid Term Progress Report on East Timor*, 11-13 December 2001.

Asian Development Bank, *1999 NGO Report*, p.24. Accessed December 2006 at <http://www.adb.org/NGOs/docs/1999report.pdf>

'Assessing the World Bank's Agriculture Rehabilitation and Development Project,' *The La'o Hamutuk Bulletin*, Vol. 1, No. 4: 31 December 2000.

An Assessment of Pilot Agricultural Service Centers in East Timor', *La'o Hamutuk Bulletin*, Vol. 3, No. 1, February 2002.

AusAID, "Australian-East Timor Capacity Building Facility Project Design Document," Dili : AusAID, May 2002.

'Australian intervention helped spare East Timorese continued chaos, official says,' Associated Press release, 28 June 2006.

*Australia's Role in United Nations Reform*, Joint Standing Committee of Foreign Affairs and Trade, Australian Parliament, Canberra, June 2001.

Beazley, H., "East Timor: Prospects for the Future?", *Development Bulletin*, April 1999.

Bia Hula Foundation, Probem, Hamoris Timor Oan, Forte, "East Timorese National Water and Sanitation NGO Priorities and Recommendations", as presented to Canberra Donors' Conference for East Timor, June 2001.

Brown, G.M., “Trust Fund for East Timor : East Timor TP Community Empowerment II”, World Bank, 10 January 2001.

Brown, G.M., CEP Task Team Leader, “Letter to Minister of Internal Administration”, World Bank, 13 August 2002.

Brunnstrom, C., *Loron Aban Hahu Ohin - The Future is Today*, Report on the Relationship between Timorese and International NGOs in East Timor, Dili :Oxfam, November 2000.

*Buibere : Voices of East Timorese Women*, Winters, R., (Ed.), Darwin : East Timor International Support Center, 1999.

*Building a Nation : A Framework for Reconstruction and Development*, World Bank-led ‘Joint Assessment Mission’, November 1999. This report consisted of five booklets : the Governance Background Paper, the Agriculture Background Paper, the Macro-Economics Background paper, the Infrastructure Background Paper and the Health and Education Background Paper.

*Building Blocks for a Nation : The Common Country Assessment for East Timor*, East Timor: UNDP and team from other UN Agencies, November 2000.

Calado, M., “Centro Desenvolvimento da Economia Popular”, *Talitakum*, 24 February 2002.

Callinan, B., *Independent Company : the 2/2 and 2/4 Australian Independent Companies in Portuguese Timor, 1941-1943*, Heinemann : Melbourne, 1953.

Candio, P., and Bleiker, R., “Peacebuilding in East Timor,” *The Pacific Review*, Vol.14, No.1, 2001, pp.63-84.

*Capacity Building for Governance and Public Sector Management, Program Overview*, Dili: National Planning and Development Agency, with support from UNDP, August 2001.

*Capacity Building for Governance and Public Sector Management, Appendix and Documents*, Dili: National Planning and Development Agency, with support from UNDP, August 2001.

*Capacity Development for Governance and Public Sector Management: Strategic Management Framework*, Dili: National Planning and Development Agency with support from UNDP, March 2001 (draft).

*Chega! The Report of the Comissão de Acolhimento, Verdade e Reconciliação de Timor-Leste*, Reception, Truth and Reconciliation Commission, Dili, 2006, part iv, pp.18-25; accessed March 2008 at [www.cavr-timorleste.org/](http://www.cavr-timorleste.org/)

Chopra, J., 'The UN Kingdom of East Timor,' *Survival*, Vol.42, No.3, 2000, pp.27-39, found in December 2006 at [http://www.watsoninstitute.org/pubs\\_news/kingdom.pdf](http://www.watsoninstitute.org/pubs_news/kingdom.pdf)

*Cidadaun Newsletter*, week 3, October 2001.

'Civpol Hadia Lei no Regulamento', *Timor Timur Baru*, 7 January 2000

Clark, J., "The Relationship between the State and the Voluntary Sector", The Global Development Research Center, October 1993, accessed October 2007 at <http://www.globalpolicy.org/ngos/state/relationship.htm>

Clausen, L., 'Under Clearing Skies', *Time International*, Vol.155, No.24, 19 June 2000.

Cribb, R., "East Timor", in L.Daniel (ed.) *The Far East and Australasia 2002*, England : Europa Publications, 2001.

Crist, "Asosiasi Creche 12 November perlu Dapat Suntikan Dana dari Pemerintah", *Lian Maubere*, 20 March 2002

Cristalis, I., *Bitter Dawn*, London : Zed Books, 2002.

Croissant, A., "International Interim Governments, Democratization, and Post-Conflict Peace-building: Lessons from Cambodia and East Timor", *Strategic Insights*, Vol. V, Issue 1 (January 2006); accessed May 2008 at <http://www.ccc.nps.navy.mil/si/2006/Jan/croissantJan06.asp>

*1998 DAC Report on Development Cooperation*, OECD, 1999.



*DAC Journal, Development Cooperation, 2002 Report, OECD, Vol.4, no.1, 2003.*

Da Costa, Z.F., “Almarhum Lembaga Swadaya Masyarakat”, *Talitakum*, 1 Feb.2002.

Da Cruz, A, (Manager of NGO, Bia Hula) in unpublished interview with Lao Hamutuk Bulletin, Oct 2002.

Da Silva, G., “Polisi Timor Loro Sa’e Perlu Pendidikan Ham’, *Talitakum*, 7 May 2001.

Da Silva, W., ‘Letter From East Timor’, *The Nation (U.S.)* , 15 July 2002.

Daley, P., ‘Gusmão Wary of Bank’s Policy Push’, *Sydney Morning Herald*, 10 Nov.1999, p.13.

Daley, P., ‘Betrayal by fire’, *The Bulletin*, 6 June 2006. Accessed in December 2006 at <http://bulletin.ninemsn.com.au/bulletin/site/articleIDs/D5B6AEEEB251FC27CA25717A002BA708>

Dantiki, S., “Organizing For Peace: Collective Action; Problems And Humanitarian Intervention”, *Journal of Military and Strategic Studies*, Spring 2005, Vol. 7, Issue 3; accessed Nov 2008 at <http://www.jmss.org/2005/spring/articles/dantiki.pdf>

De Coning, C., “The UN Transitional Administration in East Timor : Lessons From the First 100 Days”, *International Peacekeeping*, 6, no.2, 2000.

Denton, J., ‘East Timor suffers under weight of world plans’, *Canberra Times*, 14 April 01.

Devereux, S., “Sen’s Entitlement Approach: Critiques and Counter-critiques”, *Oxford Development Studies*, Vol. 29, No. 3, 2001, p.259.

Dodd, M., “Gusmão to UN : Get Tougher”, *Sydney Morning Herald*, 13 March 2000.

Dodd, M., ‘Classroom crisis as teachers quit,” *Sydney Morning Herald*, 10 October 2000.

Dodd, M., 'Gusmão gives UN team a serve: 'We don't want a legacy of cars', ' *Sydney Morning Herald*, 10 Oct 2000, p.11. [also found in Dec 2006 at <http://etan.org/et2000c/october/1-8/10gusm.htm>].

Dodd, M., 'Newest nation gets ready for tricky birth – East Timor,' *Sydney Morning Herald*, 13 December 2000.

Dodd, M., 'Give us a free hand or we'll quit, leaders say – East Timor', *Sydney Morning Herald*, 5 December 2000, p.9.

Dolan, C., Large, J., and Obi, N., "Evaluation of UNHCR's repatriation and reintegration programme in East Timor, 1999-2003," United Nations High Commissioner For Refugees: Evaluation And Policy Analysis Unit, 2004; accessed May 2008 at <http://www.unhcr.org/publ/RESEARCH/403f62e17.pdf>

Donnan, S., 'Dili dilemma: how blunders in building a nation are being brutally laid bare The UN's withdrawal of an interim administration four years ago now seems premature as Timorese are convulsed by anarchy,' *Financial Times*. London (UK): Jun 12, 2006. p.17.

Dos Santos, F., Freitas, A.M., Canto, M., Ramos, A., Gonzaga, F., Amaral, J.R., "Pengangkatan Administrator Distrik Lautem Dinilai KKN", *Talitakum*, 8 July 2001, p.29.

Down to Earth No. 42, August 1999, "East Timor: the opportunity for a sustainable future", accessed June 2005 at <http://dte.gn.apc.org/42ET.htm>

Dunn, J., *Timor : A People Betrayed*, Queensland : Jacaranda Press, 1983.

Dunn, J., *East Timor: a rough passage to independence*, NSW: Longueville Media, 2003.

*East Timor Combined Sources Budget, 2001-2002*, Dili : East Timor Transitional Administration's Central Fiscal Authority, 2001.

*East Timor Government's Combined Sources Budget for 2002-2003*, Dili: Ministry of Planning and Finance, 2002.

“East Timor Health Sector Rehabilitation and Development Project : Health Promotion Adviser – Description of Activity”, Dili : AusAID, May 2002.

‘East Timor Moves From Emergency Reconstruction To Development Mode’, World Bank report from Canberra Donors Conference, 15 June 2001. Accessed in June 2005 at <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20016633~menuPK:34466~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

‘East Timor Faces Post-UNTAET Challenges’, *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

East Timor Press Review 5 November 2002, ETAN, accessed 13 February 2008 at <http://etan.org/et2002c/november/01-09/05etpres.htm>

“East Timorese National Water and Sanitation NGO Priorities and Recommendations”, Dili : Bia Hula Foundation, Probem, Hamoris Timor Oan, Forte, as presented to Canberra Donors’ Conference, June 2001.

Editorial, *Lao Hamutuk Bulletin*, vol.1, No.4, 31 Dec 2000.

Editorial, *Lao Hamutuk Bulletin*, vol.3, no.4, May 2002.

Editorial, *Suara Timor Loro Sa’e*, 19 April 2001.

Edwards, M., *Future Positive: International cooperation in the twenty-first century*, London: Earthscan, 1999.

‘East Timor: The Role of the International Community’, *Human Rights Watch World Report 2001*, Human Rights Watch; accessed in Nov 2008 at <http://www.hrw.org/wr2k1/asia/etimor3.html>

“Enhancing the Capacities of East Timorese Civil Society Organizations – Updated report”, Dili : UNDP, August 2002.

‘Era Baru Untuk Keadilan’, *Timor Timur Baru*, 14 January 2000.

'Evaluating the World Bank's Community Empowerment Project', *La'o Hamutuk Bulletin*, Vol. 1, No. 4: 31 December 2000.

Everett, N., 'East Timor: Roots of the political crisis,' *Green Left Weekly*, June 28, 2006.

'External Funding: Sources and Uses', *The La'o Hamutuk Bulletin*, Vol. 2, No. 1 & 2: April 2001.

Fakih, M., 'Born in the wrong era', *Inside Indonesia*, Jul - Sept 2002, accessed 8 Aug 2006 at <http://www.insideindonesia.org/>

Fatima Lemos, E., 'Pemberdayaan Ekonomi Kerakyatan, *Verde*, 4 July 2001.

Federer, J., *The UN in East Timor : Building Timor Leste, a Fragile State*, Charles Darwin University Press, 2005.

Felicidade, C.R.S., "Usul Program CEP Dirubah", *Talitakum*, 2 April 2001.

Fernando, H., "Kesehatan Rakyat Dibawah Standar", *Talitakum*, 24 Feb.2002.

'Focus on Coffee and East Timor', *Lao Hamutuk Bulletin*, Vol.3, April 2002, pp. 13-14.

Fonseca, J., "Joint Statement: East Timorese and International NGOs To Dili Donors Conference," 2002-05-23; accessed 11 Jan 2005 at [http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display\\_item=1](http://www.aidwatch.org.au/index.php?current=68&display=aw00155&display_item=1)

Forum Nacional ONG Timor Lorosa'e (The East Timor National NGO Forum), "Capacity building Briefing paper to donors meeting," Canberra, June 2001; accessed Dec 2003 at <http://members.pcug.org.au/~wildwood/01juncapacity.htm>

Fox, J.J. and Babo-Soares, D. (eds), *Out of the Ashes: Destruction and reconstruction of East Timor*, South Australia: Crawford House Publishing, 2000.

Fredriksson, L., 'East Timor', *Foreign policy in Focus*, International Relations Center, Volume 5, Number 43, December 2000; accessed Nov 2008 at <http://www.fpif.org/briefs/vol5/v5n43timor.html>

Freitas, H., "Alam dan Pemaanfatnya", *Lian Maubere*, 20 March 2002.

'Friend of U.N. official pleads guilty in New York bribery case', AP World Stream English, 21 December 2006.

Gabrielson, C., *Aid ?*, 1 July 2002, accessed July 2003 at <http://www.etan.org/etanpdf/icwa/cg-19.pdf>

Gabrielson, C., "First Impressions of the UN in East Timor," accessed in December 2003 at <http://www.etan.org/etanpdf/icwa/cg-04.pdf>

Glover, I., *Archaeology in Eastern Timor*, Canberra : Australian National University, 1986.

Goodman, J., "Partnership versus 'consultation' in East Timor", AID/WATCH, August 2000. Accessed August 2005 at <http://members.pcug.org.au/~wildwood/earlypartner.htm>

Gorjão, P., "The Legacy and Lessons of the United Nations Transitional Administration in East Timor", *Contemporary Southeast Asia*, Vol.24, Number 2, August 2002, pp.313-336.

Graydon, C, 2005. 'Local justice systems in Timor-Leste: Washed up, or watch this space?', *Development Bulletin*, no. 68, pp. 66-70. Accessed June 2006 at [http://devnet.anu.edu.au/GenderPacific/pdfs/09\\_gen\\_legal\\_graydon.pdf](http://devnet.anu.edu.au/GenderPacific/pdfs/09_gen_legal_graydon.pdf)

Greenlees, D., and Garran, R., *Deliverance : The Inside Story of East Timor's Fight for Freedom*, Crows Nest, NSW : Allen and Unwin, 2002.

Gunn, G.C., *A Critical View of Western Journalism and Scholarship on East Timor*, Manila: Journal of Contemporary Asia Publishers, 1994.

Gunn, G.C., 'The 500 Year Timorese Funu', *Bulletin of Concerned Asian Scholars*, vol.32, Nos 1 and 2, Jan – June 2000, pp.4-10.

Gusmão, A., 'Apa Target NC ?', *Talitakum*, 10-12-2000, pp.11-12.

Hanlon, J., "Can East Timor survive the aid industry? Some questions from Mozambique", *La'o Hamutuk Bulletin*, Volume 2, Nos. 3, June 2001.

'Health and Education Background Paper', *East Timor : Building a Nation : A Framework for Reconstruction and Development*, UNDP-World Bank backed Joint Assessment Mission, November 1999.

Hill, H., "Tiny, Poor and War Torn : Development Policy Challenges for East timor", *World Development*, vol.29, no. 7, 2001, pp.1137-1156.

Hill, H.M., *Fretilin : the Origins, Ideologies and Strategies of a Nationalist Movement in East Timor*, BA (Hons) study for Monash University Politics Dept, 1978.

Hill, H.M., 'Dispelling the Myths of Timor',  
<http://www.asianlang.mq.edu.au/INL/timormyths.html>, accessed 4 July 2006. This article was originally published in *Arena Magazine*, No. 62 (February-March 2003).

'History of East Timor'; accessed Nov 2008 at <http://www.nationmaster.com/encyclopedia/History-of-East-Timor>

Hohe, T., 'The Clash of Paradigms:International Administration and Local Political Legitimacy in East Timor', *Contemporary Southeast Asia*, vol.24, No.3, Dec.2002.

Hull, G., *Mai Koalia Tetum*, North Sydney: Australian Catholic Relief, 1996.

Hulme, D., and Edwards, M., (eds), *NGOs, States and Donors : Too Close for Comfort ?*, London : MacMillan press, 1997.

Hunt, J., 'Building a new society: NGOs in East Timor', *New Community Quarterly*, Vol 2 no 1 Autumn 2004; accessed May 2008 at <http://www.etan.org/et2004/october/22/29buildng.htm>

Ife, J., "Report of Assessment Mission to East Timor," International Federation of Social Workers, Nov. 1999.

'In Brief', *La'o Hamutuk Bulletin*, Vol. 3, No. 8, December 2002.

International Crisis Group, 'Resolving Timor-Leste's Crisis: Executive Summary and Recommendations', International Crisis Group, Asia Report N°120, 10 October 2006. Accessed in November 2006 at <http://www.crisisgroup.org/home/index.cfm?id=4438&l=2>

'Interview with Ana Pessoa, Timor-Leste Minister of State and Public Administration,' translated from Portuguese Expresso online, <<http://online.expresso.clix.pt/1pagina/artigo.asp?id=24761319>> with the help of Alexandre Leite. Published through From GreenLeft\_discussion list, 25.06.2006. Accessed in July 2006 at [http://groups.yahoo.com/group/GreenLeft\\_discussion/message/30741](http://groups.yahoo.com/group/GreenLeft_discussion/message/30741)

'Japanese Aid to East Timor' , *The La'o Hamutuk Bulletin*, Vol. 3, No. 6: August 2002.

Jones, G., "East Timor: education and human resource development", accessed Nov 2008 at <http://epress.anu.edu.au/oota/ch3.htm>

Kameo, D., "An Analysis of the Development Process in East Timor : Background, Achievements, Problems and Alternatives, *The East Timor Project*, Northern Territory University : Centre for South East Asian Studies, Vol.1, 3 / 1995.

Kdadalak Sulimutuk Institute (KSI) conflict transformation and action research land and housing section, 'Land and housing in Timor Lorosa'e: between hope and reality' (in Bahasa Indonesia); accessed 13 February 2008 at <http://www.eastimorlawjournal.org/ARTICLES/ksireportonlandhousingintimora.html>

Kerin, J., 'Divide and Misrule', Comment & Opinion, *Australian Financial Review*, 14 June 2006.

Kingsbury, D., Remenyi, J., McKay, J., Hunt, J., (eds.), *Key Issues in Development*, New York: Palgrave MacMillan, 2004.

Kingsbury, D., (ed.), *Guns and Ballot Boxes : East Timor's Vote for Independence*, Victoria : Monash Asia Institute, 2000.

“Kucuran Dana dan Agenda Yang Terselubung”, *Talitakum*, 24 Feb., 2002.

‘Lessons for Nation Builders’, *New York Times* , editorial, 7 Feb 2002.

Lloyd Parry, R., “People of East Timor Seethe at UN as Their Cities Remain a Wasteland”, *The Independent*, 25 January 2000.

‘Mario Carrascalao: Untaet does not have a Timorisation Target’, *Suara Timor Lorosae*, 17 April 2001.

McNaughton, A., “The Health Situation in East Timor”, *Development Bulletin*, Vol.48, April 1999.

Marçal, J., “Kursus di Luar Negeri Bagi Wakil Rakyat”, *Cidadaun*, No.2, week 3, Oct 2001.

Martin, I., *Self Determination in East Timor*, London : Lynne Rienner, 2001.

Martin, S., INGO Representative, “Final Report on the Donors’ Meeting on East Timor, 5-6 Dec.2000”, Dili: NGO Forum, Dec.2000.

Mason, W., 'Own goals' only in East Timor, *Australian Financial Review*, Monday, July 3, 2006.

“The Microfinance Development Project”, *Lao Hamutuk Bulletin*, Vol. 4, No. 1: March 2003.

Miller, J., “East Timor People Give UN Two Years to Accomplish Task”, *Antara News Agency*, 24 March 2000.

Milverton, D., ‘IMF Official Outlines Pitfalls in East Timor Aid Effort’, *Dow Jones Newswires*, vol.1, no.5, 21 July 2000.



Moser, C., "Insecurity and Social Protection – Has the World bank Got it Right ?", *Journal of International Development*, vol.13, 2001, pp.361-368.

Nest, M., "Overview and Assessment of Development Assistance to East Timor," New York University : Centre on International Cooperation, 1999, accessed in November 2002 at [http://www.nyu.edu/pages/cic/publications/work\\_paprs/publ\\_work\\_paprs8.html](http://www.nyu.edu/pages/cic/publications/work_paprs/publ_work_paprs8.html)

Neumann, A.L., 'Getting It Wrong In East Timor,' *Far Eastern Economic Review*, July/August 2006.

Neves, G.N., (researcher for the La'o Hamutuk Institute in Dili), 'World Bank reconstruction role in Timor-Leste creating problems', 31 January 2007, update 54. Accessed January 2008 at <http://www.brettonwoodsproject.org/art-549078>

Niner, S., "Major Alfredo Alves Reinado: Cycles of torture, pain, violence," Austral Policy Forum, 18 February 2008, 08-02B - Revised 14 March 2008. Accessed Feb 2008 at <http://www.globalcollab.org/Nautilus/australia/apsnet/policy-forum/2008/niner-reinado/>

Nurbati,, A., "East Timorese Becoming Guests in Their Own Land", *Jakarta Post*, 2 Feb., 2001. Accessed December 2002 at [www.etan.org/et2001a/february/04-10/02etgues.htm](http://www.etan.org/et2001a/february/04-10/02etgues.htm)

O'Connor, T., "World Bank lambasts Australia's aid program", AID/WATCH, 22 October 2002; accessed August 2005 at [http://www.aidwatch.org.au/index.php?current=88&display=aw00196&display\\_item=1](http://www.aidwatch.org.au/index.php?current=88&display=aw00196&display_item=1)

OECD, *1998 Development Assistance Committee Report on Development Cooperation*, OECD, 1999.

Oenarto, J., "Can east timor survive independence?", North Australia Research Unit, Discussion Paper No. 17/2000, RSPAS.ANU.EDU.AU/NARU, p.11; accessed Mar 2008 at <http://rspas.anu.edu.au/papers/naru/DP17-2000.pdf>

Ormeling, F.J., Dr., *The Timor Problem*, AMS Press : New York, 1956.

‘Outubru Eskola Hahu, Maibe Susar atu Buka Maestri Hanorin Exacta’, *Lalenok*, 2 September – 2 October 2000.

Pedro, S., ‘Grupo Feto Foin Sae Timor Lorosae’, *Talitakum*, 28 February 2001.

Pedro, S., & Goncalves, M., ‘Atas Mandat Siapa Falintil Dibubarkan ?’ *Talitakum*, 28 February 2001.

Peou, S., ‘Cambodia’, in Forman, S. and Patrick, S.(eds), *Good Intentions : Pledges of Aid for Post-Conflict Recovery*, Colorado : Lynne Rienner, 2000.

‘Peranan Hukum Adat di Timor Leste’, *Lian Maubere*, 20 March 2002.

‘Program Monitoring and Review Group Report for Visit 1 (April-May 2002), Final Joint Team Report’, The Community Water Supply and Sanitation Program, Dili : AusAID, July 2002.

“Program Summary, Action Aid: Stepping Stones Program”, Action Aid, 2001, p.38; accessed January 2006 at <http://www.schoolsandhealth.org/Sourcebook/Sec03-01-Moz1.pdf>

Reis, V., “Mobil Governu Tidak Jelas Fungsinya”, *Talitakum*, 24 Feb., 2002.

‘Report of the Secretary-General on the activities of the Office of Internal Oversight Services’, UN General Assembly, 23 September 1999. Accessed in August 2006 at <http://www.usunnewyork.usmission.gov/a54393.htm>

‘Report of the Secretary General on the Situation of East Timor’ (S/1999/1024), Report to the UN Security Council, 4 Oct. 1999.

‘Report of the Secretary General on the United Nations Transitional Administration in East Timor’ S/2000/53, Report to the UN Security Council, 26 January 2000.

‘Report of the Secretary General on the United Nations Transitional Administration in East Timor’ (S/2001/436), Report to the UN Security Council, 2 May 2001.

'Report of the Secretary General on the United Nations Transitional Administration in East Timor' (S/2002/80), Report to the UN Security Council, 17 January 2002.

'Report of the Secretary General on the United Nations Transitional Administration in East Timor', Report to the UN Security Council, 17 April 2002.

"A Review of Peace Operations : A Case for Change - East Timor Study," Conflict, Security and Development Group, Kings College London, 10 March, 2003.

Robinson, G., "With UNAMET in East Timor : A Historian's Personal View", *Bulletin of Concerned Asian Scholars*, Vol.32, No.1-2, Jan-June 2000, pp.23-26.

Also published in *Bitter Flowers, Sweet Flowers : East Timor, Indonesia and the World Community*, R.Tanter, M.Selden and S.R. Shalom (eds), Oxford : Rowman and Littlefield, 2000, pp.55-72.

Rodriguez, N., 'CEP Dibangun untuk melenkapi Struktur Lain', *Talitakum*, 7 May 2001.

Rohland, K., & Cliffe, S., *The East Timor Reconstruction Program: Successes, Problems and Tradeoffs*, World Bank East Timor Working Paper No. 2, November 2002; accessed 9 Jan 2007 at <http://siteresources.worldbank.org/INTCPR/214578-1111996036679/20482353/WP2.pdf>

Russell, T., 'East Timor : Playing with Fire', *Inside Indonesia*, Vol.42, March 1995, pp.5-6.

Saldanha, C., D., and Whittle, J., F., *Using the Logical Framework for Sector Analysis and Project Design: A User's Guide*, Asian Development Bank, 1998.

Scheiner, C., 'Self-determination requires more than political independence: Recent developments in Timor-Leste,' La'o Hamutuk presentation for the conference on International Law and the Question of Western Sahara, Institute of Social Studies, Den Haag, Netherlands, 27-28 October 2006. Accessed in November 2006 at <http://www.laohamutuk.org/reports/06SelfDeterminationSahara.htm>

Schoeffel, P., "Building Assistance for Development on Firmer Foundations", *Development Bulletin*, Vol.43, October 1997, pp.8-10.

Schori, P., (Swedish Ambassador) on behalf of the European Union, UN Security Council : Open Debate on East Timor, accessed in January 2007 at [http://www.swedenabroad.com/Page\\_13077.aspx](http://www.swedenabroad.com/Page_13077.aspx)  
"The Secretary General briefing to the Security Council on visit to South East Asia", New York, 29 Feb 2000; accessed September 2004 at [www.un.org/peace/etimor/docs/BSG.htm](http://www.un.org/peace/etimor/docs/BSG.htm)

Smith, M.G., *Peacekeeping in East Timor*, Colorado : Lynne Rienner, 2003.

Soesastro, H., and Subianto, L.H. (eds.), *Peace Building and State building in East Timor*, Jakarta : Centre for Strategic and International Studies, 2002.

Stern, N. and Pleskovic, B.(eds), *Annual World Bank Conference on Developing Economies 2001/2002*, Washington DC: World Bank, 2002.

Suhrke, A., Peace-keepers as Nation-builders: Dilemmas of the UN in East Timor, *International Peacekeeping*. Vol. 8, no 4 (2001).

Tanter, R., Selden, M., and Shalom, S.R. (eds), *Bitter Flowers, Sweet Flowers : East Timor, Indonesia and the World Community*, Oxford : Rowman and Littlefield, 2000.

Taudevin, L. and Lee, J.(eds), *East Timor : Making Amends ?*, NSW : Otford Press, Nov. 2000.

Taylor, C., 'Paradise Postponed', *Brisbane Sunday Mail*, 27 Aug 2000, pp.87-90.

Taylor, J.G., *Indonesia's Forgotten War: The Hidden History of East Timor*, London: Zed Books Ltd, 1991.

Todd, H., 'Moris Rasik : Reflections from the Field in Timor', *Development Bulletin*, Vol.57, Feb. 2002.

“Transition, half way to independence”, East Timor Observatory, 6 November 2000, Ref.: GOV01- 06/11/2000eng; accessed March 2005 at <http://members.tip.net.au/~wildwood/NovTrans.htm>

‘Two ex-militia leaders jailed for atrocities in East Timor’, *New Straits Times*, 17 Jul 2003; accessed at [http://www.mmail.com.my/Current\\_News/NST/Thursday/World/20030717083752/Article/](http://www.mmail.com.my/Current_News/NST/Thursday/World/20030717083752/Article/)

UNDP, “Capacity Development Technical Advisory paper II,” *Capacity Development Resource Book*, Geneva : Management Development and Governance Division, 1997, p.3. Accessed Jan 2008 at <http://mirror.undp.org/magnet/cdrb/Default.htm>

UNDP, *Enhancing the Capacities of East Timorese Civil Society Organisations* – Updated Report, Dili, August 2002.

UNDP, *Situation Analysis of Civil Society Organisations in East Timor*, Dili, 2002.

UNDP, *Ukun Rasik An – the Way Ahead: East Timor Human Development Report 2002*, Dili: UNDP, 2002.

UNIDO, ‘UNIDO in Timor-Leste’, Dili: UNIDO, 14 - 15 September 2004; accessed July 2006 at <http://www.unido.org/index.php?id=o27600>

UN Security Council resolution 1272 (1999) of 25 October 1999; accessed Jan 2005 at <http://www.un.org/peace/etimor/UntaetM.htm>

United Nations, ‘Agreement between the Republic of Indonesia and the Portugese Republic on the Question of East Timor’, signed in New York on 5 May 1999 and witnessed by UN Secretary General Kofi Annan; accessed March 2003 at [http://www.un.org/peace/etimor99/agreement/agreeFrame\\_Eng01.html](http://www.un.org/peace/etimor99/agreement/agreeFrame_Eng01.html)

United Nations Transitional Administration in East Timor and World Bank, *Background Paper for Donors Meeting on East Timor*, Lisbon, Portugal, 21-23 June 2000 (final draft).

United Nations Transitional Administration in East Timor and World Bank, *Background Paper for Donors Meeting on East Timor*, Brussels, 5-6 December 2000.

United Nations Transitional Administration in East Timor and World Bank, *Background Paper for Donors' Meeting on East Timor*, Canberra, Australia, 14-15 June 2001.

United Nations Transitional Administration in East Timor, East Timor Transitional Government and the World Bank, *Background Paper for Donors Meeting on East Timor*, Oslo, 11-12 December 2001.

United Nations Transitional Administration in East Timor, "Security Council Briefed By Sergio Vieira de Mello, Special Representative For East Timor", UNTAET press release, SC/6882, accessed in December 2007 at <http://www.un.org/News/Press/docs/2000/20000627.sc6882.doc.html>

UNTAET Media Unit, 'East Timorese Head All Thirteen District Administrations', Dili, 4 July 2001; accessed January 2007 at <http://www.un.org/peace/etimor/DB/Db040701.htm>

UNTAET Media Unit, "Security Council Briefed By Sergio Vieira de Mello, Special Representative For East Timor", SC/6882, accessed in December 2007 at <http://www.un.org/News/Press/docs/2000/20000627.sc6882.doc.html>

UNTAET Press Office, "FACT SHEET 9", April 2002; accessed May 2008 at <http://www.un.org/peace/etimor/fact/fs9.PDF>

'United States Government Aid to East Timor', *La'o Hamutuk Bulletin*, Vol. 3, No. 2-3: April 2002.

'USAID Field Report East Timor May 2002', accessed 13 Feb 2008 at [http://www.usaid.gov/our\\_work/cross-cutting\\_programs/transition\\_initiatives/country/timor/rpt0502.html](http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/country/timor/rpt0502.html)

Vieira, A., "Melacak Proyek Bank Dunia di Basis", *Talitakum*, 7 May 2001.

Walsh, P., *All the king's horses and all the king's men: Report on UNDP East Timor NGO Capacity Building Project*, Dili: UNDP, June 2000.

Walsh, P., *East Timorese Civil Society, UNDP Project Document, Final Draft*, Dili: UNDP, October 2000.

Walsh, P., *New NGOs for a New East Timor: Discussion Paper on the role of the East Timor NGO Forum (Fongtil)*, Dili: UNDP, April 2000.

Woodcroft Lee, T., "Debates on East Timor Society and Economy", published 12 May 2001 on Aidwatch website, accessed December 2002 at <http://members.canb.auug.org.au/~wildwood/01maydebates.htm>

Working Group for Study and Examination, 'From Scorched Earth Operation to Humanitarian operation', Dili: Yayasan Hak, 10 January 2000.

World Bank, 'Background Paper for Donors' Meeting on East Timor', Dili, 14-15 May 2002.

World Bank, 'East Timor moves from emergency reconstruction to development mode', CANBERRA, 15 June 2001, accessed in March 2005 at <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,content MDK:20016633~menu PK:34466~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

World Bank, 'East Timor public administration public expenditure management and accountability note', the World Bank East Asia And Pacific Region: Poverty Reduction And Economic Management Sector Unit, April 2002.

World Bank, *East Timor: Policy Challenges for a New Nation*, Dili: World Bank, 2002.

World Bank, *Entering the 21<sup>st</sup> Century: World Development Report 1999/2000*, World Bank, 2000.

World Bank Group, "East Timor Agriculture Rehabilitation Project (Revised)", 26 July 2001.

‘World Bank Funds and Timor Paramilitaries’, East Timor Action Network, June 18, 1999; accessed Nov 2008 at <http://www.etan.org/news/news99b/worldbnk.htm>

World Bank, “IBRD Articles of Agreement”, accessed May 2008 at <http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/0,,contentMDK:20049563~pagePK:43912~menuPK:58863~piPK:36602,00.html#I1>

World Bank, *Poverty in a New Nation: Analysis for Action* (In Two Volumes) Volume I: Main Report, Report No. 25662-TP, World Bank Poverty Reduction and Economic Management Sector Unit, East Asia and Pacific Region, Timor-Leste, accessed on 6 July 2007 at [www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2007/01/12/000112742\\_20070112162922/Rendered/PDF/256620TP0v1.pdf](http://www.wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2007/01/12/000112742_20070112162922/Rendered/PDF/256620TP0v1.pdf)

World Bank, “Program Appraisal Document for a Proposed Post Conflict Grant in the Amount of US \$ 5 million to the Democratic Republic of East Timor for a Transition Support Program,(report no.24532-TP),” Dili, 22 July 2002.

World Bank , “Project Appraisal Document on a Proposed Trust Fund for East Timor : East Timor TP Community Empowerment II”, 15 May 2000.

World Bank, “Project Appraisal Document on a Proposed TFET Grant for an Agricultural Rehabilitation Project”, Dili: World Bank, 14 June 2000.

World Bank, “Project Appraisal Document on a proposed TFET grant for a Second Agriculture Rehabilitation Project in East Timor”, Dili: World Bank, 28 Sept 2001.

World Bank’s Papua New Guinea / Pacific Islands Country Unit, ‘Project Appraisal Document on a Proposed TFET Grant for a 2nd Agriculture Rehabilitation Project’, 28 September 2001.

World Bank, ‘TFET Update No.13,’ East Timor: World Bank, 22 Oct 2001; accessed Dec 2002 at [www.worldbank.eap](http://www.worldbank.eap)

World Bank, ‘Timor-Leste Project performance assessment report’, Report no. 36590, World Bank Sector, thematic and global evaluation division : Independent evaluation group, June 27, 2006.



“Xanana Gusmão: The right to live in peace and harmony”, *The Guardian* January 31, 2001.

Accessed January 2008 at <http://www.cpa.org.au/garchve3/1031xan.html>

Zulfakar, M., “Malaysian Quits as UNTAET Chief-of-Staff”, *Kuala Lumpur Star*, 9 Jan 2002;

accessed Mar 2008 at <http://www.globalpolicy.org/security/issues/etimor/2002/0109resign.htm>

## **Unpublished Sources**

Aleixo, A., CIDA Program Support Unit, in unpublished interview with study author, 25 July 2005.

Amaral, A., Director of HTO, unpublished interview with study author, October 2002.

Bailey, L., “Performance indicators in the East Timor Public Administration,” Dili: World Bank, 23 January 2002.

Black, L., “Critical Review of the Capacity Building Literature and Discourse : an Abductively Informed Critical Analysis”, BA Honours study at Deakin University Faculty of Arts, Victoria, 2000.

Clark, K., in unpublished interview with study author, 14 November 2002.

Doyle, O., Irish liaison officer for school links project between East Timor and the Republic of Ireland, in unpublished interview with study author, 27 November 2002.

Freitas, B., UNDP-funded training coordinator with Ministry of Foreign Affairs, in unpublished interview with study author, 20 November 2002.

Haeri, D., East Timor Transitional Administration Cabinet Secretary, in private email to study author, 1 December 2002.

Larke, B., private email to study author, 29 Sept '05.

Larke, B., *Liaison and Training Officer Review: Training Overview/Training Framework, East Timor* Ministry of Internal Affairs, Office of District Administration, May 2002.

Liquiça District Administration staff (Armando Soares, Renato Serrao, Claudino Mota and Augusto Perreira) in unpublished interview with study author, November 2002.

Martin, S., Caritas Australia, in unpublished interview with Study Author, 17 October 2002.

Senior official in Transitional Administration's National Planning and Development Agency, in private email to the study author, 18 July '03.

Sharan KC, APHEDA, in unpublished email to study author, 6 November 2002.

Silva Gomes, M., Village Chief of Bazar Tete, in unpublished interview with study author, 4 November 2002.

Smith, A., CWSS Program leader, in unpublished interview with study author, October 2002.

Soares, V., Land and Property Office, Ministry of Justice, unpublished interview with study author on 25 November 2002.

Rolfe, T., UNDP, in unpublished interview with study author, 2 December 2002.

Unnamed evaluator with CARE Australia, and unnamed Australian consultant, in unpublished interviews with Deakin University Phd candidate, Leanne Black, 2002.

Ximenes-Aleixo, G., Member of Timor Leste Parliament, unpublished interview with study author on 25 July 2005.