Lessons Learned from Peacekeeping and Peacebuilding Support Missions in Timor-Leste

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I. Introduction

It is my great pleasure and distinct honour to be given an opportunity to speak at the Berlin Centre for Peace Operation. I wish to thank you for having organized such a thought-provoking opportunity and invited me to share my thoughts with you. As we celebrated last year the 60th anniversary of the United Nations, it is indeed timely and fitting that the Berlin Centre for Peace Operation hold this discussion meeting on Lessons Learned from Peacekeeping to Peacebuilding Support Mission in Timor-Leste.

Today, I would like to examine salient issues based on my actual working experiences in nation building assistance in Timor-Leste. It has indeed been a privilege for me to live in the countries and work closely with the leaders and the peoples of the post conflict countries of not only Timor-Leste but also Rwanda in my capacities as the Special Representative of the Secretary-General of the United Nations as well as the Resident Coordinator of the United Nations operational system’s operational activities for development and the Resident Representative of the United Nations Development Programme. As many of you know, since Timor-Leste gained international recognition of its political independence on 20 May 2002, it has embarked upon its self-reliant efforts for new nation building with the support of first the United Nations Mission of Support in East Timor (UNMISET) and now the United Nation Office in Timor-Leste (UNOTIL), joined by other UN agencies, funds and programmes such as UNDP and the international financing institutions such as the World Bank, IMF and the Asian Development Bank.

First, I will briefly provide you with the background of the consensus that is recently accepted in the international community regarding the necessity of the continuous support from peacekeeping to peacebuilding periods in post-conflict countries to ensure their lasting peace and stability. Secondly, I will describe the six key factors that the international community needs to support to ensure lasting peace of post conflict countries, as lessons learned from the experiences of UN peacekeeping and peacebuilding missions in Timor-Leste. Lastly, I will examine the status of the transition from the UN peace operation to a sustainable development assistance framework in Timor-Leste.

II. Growing necessity of continuous support from peacekeeping to peacebuilding in post-conflict countries

A. New Role of the United Nations System

The roles of the United Nations for maintenance of peace and security has changed dramatically over the past several years, with peace and nation-building occupying an increasingly significant part of the focus of UN peace operations. The nature and composition of threats to peace have also become complex and interconnected requiring coordinated efforts by multilateral and bilateral agencies as well as by both state and civil society organisations.
Thus, security is now a more comprehensive concept, not confined to the military, enabling us to deal with diverse threats. Our attention needs to focus on the well-being of the individuals, their protection from a multitude of threats ranging from former antagonists but also a newly emerging group of elements that endanger the safety and well-being of the people. Neither state nor specialized international agency alone could solve them. The role of the United Nations, the sole universal international organization, which conducts activities in a wide range of fields, has become increasingly to address the complexity of challenges and threats in a comprehensive manner.

Only in recent years has the international community become increasingly aware of the need to remain involved in post-conflict countries after the initial period of stabilisation and the instigation of the democratic process, marked by events such as popular referendums and elections. As the Secretary-General’s High Level Panel on Threats, Challenges and Change has pointed out, about half of all countries that emerge from war lapse back into violence within five years as they are in effect abandoned by the international community.

The United Nations should be engaged in peace-building with a view to helping countries to successfully complete the transition from war to peace and to fulfil the imperatives for nation-building until a country has reached a phase when it can move forward with only development assistance. It is with this understanding that the General Assembly and the Security Council have agreed on the establishment of a Peacebuilding Commission following the World Summit in September 2005.

B. UN Peacebuilding Commission

The establishment of a UN Peacebuilding Commission was approved by all Member States present at the recent plenary session of the UN General Assembly and subsequently adapted by the Security Council on 20 December 2005. The new UN Peacebuilding Commission will act in an advisory role to the General Assembly and Security Council, thus playing an important role in advising the Security Council on matters concerning early planning and implementation of peacebuilding activities.

The new Commission will bring together the UN’s broad experience in conflict prevention, meditation, peacekeeping, respect for human rights, the rule of law, humanitarian assistance, reconstruction and long-term development. It will deal with post-conflict peacebuilding—that is needed to help a country make the transition from war to lasting peace. More specifically, the Commission will use resources at the disposal of the international community to advise and propose integrated strategies for post-conflict peacebuilding and recovery, focusing attention on reconstruction, institution-building and sustainable development, and developing best practices on issues that require extensive collaboration among political, military, humanitarian and development actors.
III. Lessons learned from UN missions in Timor-Leste

A. UN Missions in Timor-Leste from Peacekeeping to Peacebuilding

The United Nations has assisted the Timorese leaders and people in the recovery and reconstruction of Timor-Leste and the building of institutions through a partnership that included that the UN, the government and other multilateral and bilateral development partners. For this purpose, the Security Council authorized the establishment of four UN peace missions starting with: UNAMET in 1999 followed by UNTAET from October 1999 to May 2002, UNMISET from May 2002 to May 2005 and UNOTIL from May 2005 to May 2006. The mandate of each of these UN operations was different: UNAMET was authorized to conduct the popular consultation in 1999; UNTAET to undertake all functions of governing the devastated post-conflict country taking it to independence; and UNMISET, in its first phase peacekeeping mission to provide support to the public administration, the development of law enforcement, and the security and stability of Timor-Leste (UNMISET:5).

In Resolution 1573, the Security Council urged the “UN development and humanitarian agencies and multilateral financial institutions to start immediately planning for a smooth transition, in Timor-Leste, from a peacekeeping mission to a sustainable development assistance framework.” Yet, in recognition of the need to build and capacity building of the state institutions, the Security Council decided to authorize with its resolution 1599 adopted on 28 April 2005 the continued presence of a UN political mission (UNOTIL) designed to undertake sole and systematically state institution building activities. This signifies the Security Council’s full acceptance of the proposal of the High Level Panel that there is a need to undertake peace-building activities after the completion of a peacekeeping operation and before the phase of sustainable development begins. A major focus of the new mandate is institutional capacity building within the state organs, agencies and government ministries responsible for maintaining security, law and order, justice and civil administration, which eventually enables smooth and rapid transition from a special political mission to a sustainable development assistance framework.

My own experience with nation-building assistance in the field leads me to recognize that the new nation building process is a time-consuming exercise that requires the growth of healthy institutional capacity and culture based on respect for freedoms and human rights. The process requires not only transfer of technical know-how and skills to individuals but institutionalization of administrative procedures and systems as well as organizational norms and culture.

B. Holistic Approach for peacekeeping and peacebuilding operations

The consolidation of peace in Timor-Leste, which was achieved by the smooth transition from post-conflict recovery and reconstruction to state institution building, provides valuable insights and important lessons for future peacekeeping and peace-building operations. In my view, the experience of United Nations support to post-
conflict Timor-Leste also reveals an operational shift taking place in peacekeeping operations in implementing an integrated and holistic approach to peacekeeping and peace-building activities.

In exploring a brief case of peacekeeping and peace building in Timor-Leste, what I would like first to impress on you is the need to recognize not only the externality but also the holistic nature of entire peace activities. They are precisely the kind of activities that both the UN and the state institutions of Timor-Leste have carried out in partnership with a common goal of establishing a sustainable democratic society that is inclusive and respectful of human rights and cultural freedoms of all of its citizens. Indeed I would like to underline the value of a holistic approach to peacekeeping operations in post-conflict situations. An integrated approach builds on the need for maintaining security as it moves into the peace-building phase, while the holistic approach empowers the initiatives in such areas as institution-building and engenders respect for the rule of law and promotion of human rights. Moreover, I would like to emphasise that any future peacekeeping operation should adopt a holistic and integrated approach that systemically links it to long-term development initiatives so that the consolidation of peace is anchored to the foundation for democratic governance and sustainable development.

Since independence, Timor-Leste has made considerable achievements in laying the foundation for democratic governance in spite of formidable challenges faced by the leaders and the people of this newly born country. I believe that Timor-Leste will, in the long run, thrive on sound, inclusive and people-centred development based on joint partnership and constructive dialogues among the four state institutions of Presidency, Government, Parliament and Judicial Branch as well as civil society, business communities and international development partners. It is essential that as the international community has supported so effectively in keeping peace and stability in Timor-Leste for the last five years, it continue to render all necessary assistance to independent Timor-Leste as it now goes through the process of peace building and sustainable development.

C. The six requirements to ensure lasting peace in post conflict countries

I would like to share with you the lessons learned from the UN missions in Timor-Leste. They are based on the recognition that the role of the international community in new nation building is to help fulfilling the following six requirements for the establishment of a viable nationhood;

1. Building an independent and professional law enforcement agency that is committed to protecting basic human rights of all people;

2. Strengthening the capacity of state institutions, particularly the Government, to deliver essential public services such as education and health services to the people;
3. Establishing the foundation for democratic governance, particularly ensuring that four sovereign state institutions respect separation of powers, rule of law, and human rights for all particularly marginalised and vulnerable groups;

4. Securing the transparency and accountability of sovereign state and other public institutions;

5. Ensuring that the Government and other state institutions strive to achieve poverty reduction and sustainable economic growth that enable attainment of the Millennium Development Goals; and

6. Contributing to realisation of justice, truth and reconciliation.

I would like to share with you in more details my views on the above mentioned six requirements which are inevitable for post-conflict countries to have lasting peace.

(1) Independent professional law enforcement agency

Pursuant to the mandates contained in the Security Council resolutions mentioned above, one of the priority tasks in Timor-Leste was to establish a law enforcement agency - a national police service - and then to train it in such a manner that it fully respected the rule of law and human rights. Successive UN missions attached importance to strict observance of human rights as common people had been subjected to arbitrary arrest and imprisonment and even torture during 24 years of Indonesian occupation. UNTAET first recruited several hundred policemen including about three hundred former POLRI police officers and established the National Police service of Timor-Leste (PNTL) in August 2001 which has since grown in size to currently 3,300 officers with the addition of specialized units. During the past five years, with the support of UN Civilian Police, the PNTL has made significant progress in organizing itself and strengthening the professional calibre of its officers. The progress was remarkable in comparison with what had been attempted in Somalia and Rwanda, where I assisted in establishing national police forces in 1993 and 1995-96. In Somalia, there was virtually no facilities and resources to accommodate and train national police officers. Although UNOSOM II developed a scheme for establishing a national police force, it did not materialise as the Security Council decided to withdraw the peacekeeping mission in 1995. In Rwanda, in 1995 the Government built a training centre which could barely house trainees with the assistance of the international community. However, the extent of support given by the international community was extremely limited to voluntary contributions provided by the United Kingdom and the United States. The UN peacekeeping mission, UNAMIR, was involved only nominally before it was disbanded in 1996.

In Timor-Leste, the United Nations was actively engaged in formation of the Timorese national police, PNTL, and provided technical and material support to its development. Adequate resources were provided for rehabilitating a major training centre complex equipped with classrooms and training facilities. The United Nations police, UNPOL, coached and mentored PNTL national police officers while they shared police
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office premises throughout the country until UNPOL handed over the executive policing responsibility to PNTL in 20 May 2004. While the number of UN police officers was reduced from more than 1,000 in 2002 to 157 in May 2004 and 60 in May 2005, they became more involved in capacity building of PNTL officers. The UNPOL training advisers, as they were now called, made concerted efforts to fill the gaps in capacity building of the PNTL but also in developing its managerial capabilities. In 2003, Australia and the United Kingdom joined in assisting the development of national capacity for planning, management and administration of the PNTL as an independent agency. The Timor-Leste Police Development Programme (TLPDP) funded by these two countries are concentrating their assistance on crime prevention and community safety, training in investigations and operations, development of the Police Training College, and PNTL organizational finance and human resources management.

UNOTIL’s mandate under United Nations resolution 1599 clearly indicates the need to further support the development of the further development of the national police and particularly the Border Patrol Unit (UPF) through the provision of 60 police and 15 military training advisers. UNPOL has devised a comprehensive strategy to attain the mandated tasks through project-based approaches to ensure sustainability of the developmental efforts and institutional development and capacity building side by side. Furthermore, a Joint Concept of Operations has been developed, based on close cooperation and well-coordinated efforts of police and military training advisers for the development of UPF (Unidade de Patrulha de Fronteira formally known as BPU).

UNOTIL police advisers continued to support further development of the PNTL through the provision of training, mentoring and the transfer of skills and knowledge to their national counterpart. Their main focus has been on further development of the specialized units of the PNTL, including the Police Reserve nit, the Rapid Intervention Unit and the Immigration and Marine Units. In this respect, UNOTIL police advisers conducted 40 specialized courses targeting the 893 members of the specialized units. Programmes aimed at improving computer literacy and Portuguese language skills. Assistance continued to be provided to the Professional Ethics Office and the Crime Scene Office of the PNTL. UNOTIL police advisers conducted a six-week master trainer course for 25 PNTL officers from specialized and other police units. The aim of this course was to equip a pool of national police trainers with the instructional skills and capacities required to conduct future training activities for PNTL.

The Rapid Intervention Unit completed comprehensive training programmes. The operations that the Unit has since conducted under the close supervision of UNOTIL police advisers showed significant improvements, especially with regard to professionalism, discipline and observance of human rights. The Immigration Unit also made considerable progress towards self-sufficiency. In addition, three new specialized units, namely the Counter-Terrorism Unit, the Explosive Ordnance Disposal Unit and the Public Information Office, have been established. UNOTIL provided basic training in counter-terrorism and explosive ordnance to these units, to be followed by advance training in the coming months. Leadership management courses were organized for senior police officials, and assistance was provide in the preparation of work plans and
through joint assessments. “Plan 2020” has been prepared by UNOTIL police advisers and PNTL leaders to plan and organize their future activities. The operational and training manuals for various units also have been formulated. 11 operational/training manuals based on best practices and international democratic policing standards are jointly prepared. It is noteworthy that 10 PNTL officers were deployed to the UN Interim Administration Mission in Kosovo, demonstrating the force’s ability to contribute to international peacekeeping operations.

As in many post conflict societies, however, the main challenge remains how to change the mind-set of the police to one of democratic policing. There continues to be reports on violation of human rights by the PNTL officers. UNOTIL police advisers, working together with the UNOTIL human rights unit, have been focusing on the development of professional attitudes within the Timorese police. In addition, UNOTIL, in cooperation with the Minister of the Interior and the General Commander of the Timorese police plan to launch an initiative aimed at reducing the number of human rights violations by the national police by 75 percent by May 2006. The initiative includes the training of Timorese police commanders on stress management and self-control techniques; further training of Timorese police officers on the code of conduct; improved disciplinary mechanisms within the Timorese police; and enhanced coordination between the Timorese police and prosecution services.

In the area of police development, UNOTIL is planning to complete all training programs for PNTL by 20 May 2006, when all its units are expected to reach advanced level in their respective areas. UNOTIL has identified the following four remaining positions that need to be provided beyond 20 May 2006: field training coordinator, adviser on election security planning and execution, adviser to the Minister of Interior and adviser to PNTL General Commander. Efforts are under way to identify partners willing to provide these positions.

The development of the Border Patrol Unit (UPF) proved most challenging as the UPF officers had to deal with the Indonesian Military in managing the flow of people and goods including ex-militia elements.

A number of cross-border incidents occurred in September and October 2005, mainly as a result of local disputes between villagers living on the two sides of the border. Farmland on the Timorese side of the Oecussi-West Timor border was burned and several stone-throwing incidents took place, during which some villagers and members of the Border Patrol Unit of the Timorese national police suffered light injuries. UNOTIL facilitated a number of exchanges between the Indonesian army and Timorese police, in which the two sides agreed on joint measures to prevent recurrence of further incidents. The situation along the Oecussi-West Timor border has since stabilized and a number of community-level meetings aimed at promoting cross-border cultural and economic exchanges have taken place. Concerted efforts are nevertheless needed by both sides to inform the population in the border districts about the agreed boundary. Most recently on 6 January 2006, an incident took place along Junction Point C in Bobonaro district, which resulted in the death of three persons who entered Timor-Leste across a
river. Two of the three have been identified as ex-militia who had been indicted by the Serious Crimes Unit for crimes committed in 1999. The shooting by PNTL officers created a great deal of resentment in Indonesia as it represented the third incident in which the Timorese police fired at the Indonesians crossing the river. It also signified the inadequacy of training carried out by UNPOL.

Following my strong instruction, Chief Police Training Officer Saif Malik initiated a joint capacity assessment by UNPOL and PNTL of national police units and formulated a strategic plan for their further development. The military training advisers have also completed the initial phase of the transfer of border management skills and entered into the validation phase so as to ensure that the Border Patrol Unit has the capacity to interact with the Indonesian Army counterparts as equal and professional partners. The 6 January incident has also prompted UNOTIL to refocus its attention to the specific need for enhancing the professionalism of and a change in the mind-sets of the UPF. In this regard, I have instructed UNOTIL police and military training advisers to review and redesign systematically the training programmes by placing greater emphasis on the minimum use of force during arrest and detention in order to avoid the recurrence of incidents of this nature. I hope it will be possible for us to make a tangible progress in changing the attitudes of PNTL police officers.

(2) Government capability of delivering essential public services

For the independent state of Timor-Leste, the Security Council recognized the importance of the newly-established state institutions, particularly the Government, being able to deliver basic public services to improve the livelihoods of the people. The Security Council, through its resolutions 1272, 1410 and 1599, made this requirement one of the three basic mandates of the subsequent peacekeeping missions, UNTAET, UNMISET and UNOTIL. They called respectively for the establishment of “an effective administration” and then “to provide assistance that is crucial for the stability of East Timor and the viability of its emergent public administration.”

With regards to the civilian administration, following the departure of international civilian administrators with the completion of UNTAET in May 2002, the Security Council decided first to maintain 100 ‘stability’ advisers funded through assessed contributions. Along with 200 ‘development’ advisers, to be provided through bilateral and multilateral voluntary contributions, these advisers were to carry out essential line functions and to coach their Timorese counterparts in acquiring the technical skills necessary for the proper functioning of the newly-created state systems and institutions.

During the next few years, the international advisers provided by the United Nations and bilateral development partners achieved a great deal of progress in building the Timorese capacity to administer their public institutions. As a result, the number of international advisers provided by the UN system has declined from nearly 300 three years ago to about 100 by the end of last year. Out of 45 adviser positions, several posts will be taken over by national institutions by 20 May 2006. The remaining functions will
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be looked after by appropriate UN agencies, financial institutions and other multilateral and bilateral development partners.

In view of its pioneering nature of UN involvement in peace building through the capacity building of democratic governance institutions, let me explain how these international have been engaged in respective sectors:

- **Legal advisory services** to government ministries and other state institutions such as the National Parliament and the Office of the President. This work involves drafting, revision, submission of legal frameworks and other legislation for Ministries and other State institutions such as the judiciary branch; assistance to Parliamentary commissions in the drafting of resolutions; work at the level of the Council of Ministers where legislation is reviewed prior to approval by the Council of Ministers and/or submitted to Parliament for approval; as well as working to help establish the basic legal/institutional framework for new bodies such as the Council of State and the Superior Council for Defence and Security.

- **International advisers engaged in the Justice sector** includes judges, court administrators, prosecutors and public defenders, as well as an adviser for the prison service. Apart from performing line functions, the judges, prosecutors and public defenders are also all involved in the formal training of Timorese court actors through the Judicial Training Centre Programme in Dili, which is preparing local judicial officials to eventually take over these functions.

- **Financial management and audit service** are being provided in the Ministry of Planning and Finance and line ministries, as well as Inspector General’s Office. Advisors in this area bring together to ensure the smooth functioning of the Timor-Leste State financial system. Especially those who are engaged in audit service in the Inspector General’s Office and internal audit unit of Ministry of Planning and Finance attempt to enhance transparency and accountability in financial transactions.

- **Policy development** is being supported in a range of Ministries and other state institutions. International advisers have assisted the Secretariat of State for Defence in defence policy development and Prime Minister’s Office in development of foreign investment, petroleum fund management and export development.

(3) **Laying the foundation for democratic governance**

The third imperative in peace building is the challenge faced by Timorese society to establish the foundation for democratic governance. This foundation is the principles of democracy that include accountability of the Government and other state institutions to the people through acceptance of the rule of law, respect for human rights, the social reintegration of marginalized and vulnerable groups, transparency and accountability of public administration, particularly with regard to the management of natural resources. Let me explain how these principles have been adopted and reflected in the management of public affairs in Timor-Leste. I will also indicate how UNMISET, and now UNOTIL,
UNDP and other international and bilateral organizations have been assisting state institutions in establishing legal and policy frameworks based on these principles.

Separation of Power and Stable Parliamentary Democracy

As noted earlier, one of the key success criteria for UNTAET was the conduct of entirely peaceful elections for Constituent Assembly. East Timorese were understandably concerned that the multi-party democratic elections would precipitate violence because of the memory of the bitter civil war of 1974-75. It was also an important step in the transition of East Timor to an independent and democratic country. Not only was there, for the first time, a representative body democratically elected by the people of East Timor, it also provided the foundations for an all-Timorese Second Transitional Government. The elections brought new issues into public debate, issues such as freedom of expression, freedom of association, and freedom of movement. The election was therefore a dramatic triumph for the people of East Timor and a testament to the best means available for avoiding violence. Nevertheless, to this day, multi-party activities at the village level are rare and when they do occur, it is often in a climate of fear and/or suspicion. The Fretilin party has one key advantage over most other smaller parties in that it has a long historical tradition whereas the newer parties are fundamentally untested, and voters, so far, do not know what more they can offer.

Power-sharing and Institution Building under UNTAET

It might be argued that UNTAET’s policies could have emphasized local participation and capacity building without the effect of compromising the strategic objectives of democracy, effective administration, and rule of law and should have encouraged moving towards early elections to establish ‘co-government’. UNTAET initially avoided dictating the shape of a permanent government in advance of a constitutional debate. UNTAET however accelerated the process of Timorisation in a fundamental and constructive manner by establishing a predominantly Timorese Government, albeit transitional, or interim in nature and other institutions of state. This was evidenced by the all-Timorese National Council, and the Timorese-dominated Cabinet as well as by the all-Timorese judiciary. This is the significant conceptual and structural shift in the direction the mission was taking in the implementation of core requirement of its mandate that UNTAET assist the East Timorese in preparing – and transferring the skills necessary to them – for self-sufficient democratic government. Accordingly, the Transitional Administrator delegated, of course with the authorisation of the Secretary-General, many of his powers under Resolution 1272 to the Government structure. Indeed, the Government was entrusted with carrying out key elements of UNTAET’s mandate.

Security Council Resolution 1338 mandated UNTAET as being responsible for the organization and conduct of the Constituent Assembly elections held on 20 August 2001. An Independent Electoral Commission (IEC) was created as the supreme and exclusive authority on electoral matters. Capacity building of East Timorese electoral staff was also a priority for the IEC. UNTAET’s Civil Registration Unit conducted
registration from 16 March to 23 June 2001 at 350 sites in each of East Timor’s 65 sub-districts as well as at dozens of mobile sites. Individuals were categorised as either habitual or a long-term residents of East Timor. The result of the registration process showed the population of East Timor to be 737,811, excluding the refugees in West Timor. The IEC prepared its list of eligible voters based on the results of the registration process.

Sixteen political parties and the national and district independent candidates registered to participate in the election for the Constituent Assembly, of which 12 are currently represented in the National Parliament. The Fretilin Party won 57 percent of the vote and the rest was split amongst the 11 other political parties. Fretilin has total of 54 out of 78 seats, consisting of 42 of the 65 national seats allocated according to the proportional representation formula, and 12 of the 13 district seats. It is interesting to note that Minister of State Administration Ana Pessoa complained bitterly that the electoral law favoured small parties reflecting the deliberate effort made by UNTAET leadership. If the law had been drafted to favour territorially based constituencies, as was argued for by many at the time, Fretilin’s dominance would have been far greater. Minister Ana Pessoa further told me that in the next national election, Fretilin would make sure through electoral laws that parties get seats in Parliament according to the actual number of votes obtained by them. She has further proposed that the minimum threshold of 5 percent be instituted for a political party to be accorded with any seat in the Parliament. This will result in Fretilin obtaining a major of seats in the Parliament even if the party received less than 50 percent of the total votes.

Based on the performance of the Parliament, it can be argued that there are too many small parties that make little contribution to the effective functioning of the Parliament. The lack of a strong, organised, coherent opposition is a serious problem for Timor-Leste, but it is largely an internal problem that the international community can do little to change it for fear of being accused of meddling in internal affairs of an independent nation. The smaller political parties in Timor-Leste need time to mature and I hope some positive developments will emerge in the lead up to the parliamentary elections next year.

Some political scientists may argue that the Constituent Assembly elections could not have produced a better result in terms of promoting stability during a transitional period. One party won an absolute majority of votes and has a clear mandate to rule and ensure stability in the early years of a democracy without Timor-Leste becoming a "one party state." It is true that Fretilin, of course, dominates the Government, which it will use to its advantage, but then the party alone will have to be accountable to the people if it is unable to deliver basic services. As in many post-conflict countries around the world, the mandate to govern is usually grabbed by educated and shrewd political leaders who had spent many years in exile. The question is how long people will tolerate them or vote them out of office unless these leaders become more sympathetic to the people and create conditions that are beneficial to the electorate. The usual conditions apply in Timor-Leste as elsewhere for ensuring that one-party-dominance does not become perpetual in the long term. A strong and independent media, alongside an open civil society, would help
ensure multiple political views are registered in the public sphere. Strong parliamentary oversight of the Government and the establishment of statutory watchdog bodies are also the key to ensuring the Government is held accountable to the people.

**UNMISET’s role in promoting the balance of powers**

While UNTAET built core executive and legislative structures and established institutional arrangements critical to the viability and political stability of East Timor, the capacity to counter balance the power of the Government remained less developed. President Xanana Gusmão assumed his presidency in April 2002. The Constituent Assembly transformed itself into the National Parliament in May 2002. Indeed, there has been an imbalance of the institutional capacities and experiences of the four branches of the state powers – the Presidency, the Government, the Parliament and the Judiciary - that would erode the effectiveness of the system of checks and balances among the state organs. It was, therefore, the primary task of UNMISET to promote the balance of powers, which was essential to the growth of viable democracy.

During its initial phase of two years, UNMISET provided the respective sovereign state organs with 100 international advisers who assisted them to function without any major problems and since 2004 increasing assisted the national counterparts to acquire basic capacity. It is true that UNMISET concentrated its support to the Government in its initial two years but shifted its attention to the other three organs. For instance, significant support is currently being provided to the National Parliament for effective promulgation of legislation, developing parliamentary oversight and control functions, fostering multi-partisanship and good governance and constructive representation. The UNMISET advisors also provided assistance to the President’s Office in planning of activities and implementation of the Laws of the Superior Council for Defence and Security, a consultative organ of the President ‘on matters relating to defence and sovereignty’, and other consultative bodies such as Council of State of the President of the Republic, a political advisory body. More importantly, the major component of civilian advisory support is direct to the judiciary for the implementation of its training programmes.

**Further Strengthening of State Institutions under UNOTIL**

Following UNMISET, UNOTIL concentrated its support to the further development of the institutional capacity of the critical State institutions. I am pleased to note that during the last five months UNOTIL civilian advisers accelerated their efforts to transfer skills and knowledge, and their Timorese counterparts are now demonstrating increased ability and willingness to carry out their duties. Also, in my capacity as the Special Representative of the Secretary-General, I meet and advise Prime Minister Mari Alkatiri weekly and President Xanana Gusmão periodically to discuss day-to-day political, legal and other issues to promote democratic governance in the country. What we agree is the difficulty of instituting the culture of inclusive democracy in a country that has been accustomed to authoritarian rule under Portuguese colonial rule for more than four centuries and Indonesia occupation for nearly quarter of a century. Indeed,
respect for basic civil and human rights and for the principle of democratic governance cannot be rooted overnight. In this respect, thirty-nine advisers continued to focus on the provision of training and the transfer of skills and knowledge to their Timorese counterparts in the justice sector, the Office of the President, the National Parliament, as well as across various Government institutions. In addition, UNOTIL continued to engage in the promotion of sound work ethics in the public sector.

In the justice sector, twenty-three civilian advisers continued to provide training as well as perform line functions in all four district courts, with support from six additional advisers deployed under the “Strengthening the Justice System Project” of the United Nations Development Programme (UNDP). The UNOTIL training programme for judges, prosecutors and defense lawyers made tangible progress during the period under review, enabling twenty-seven national judicial actors to successfully pass their mid-term evaluation. As a result, they will undertake specialized training for judges, prosecutors and public defenders from January to May 2006. More importantly they will begin on-the-job-training, serving in the courts, on a probationary basis, under the supervision of experienced international judges, prosecutors and public defenders.

With support from UNOTIL judicial advisers, considerable progress was made towards reducing the backlog of cases, while access to justice services was significantly broadened in the districts. Of the around 3,000 pending criminal and civilian cases were identified by the Office of the Prosecutor General in September 2005. An average of about 270 persons were held at the three prisons of Timor-Leste in 2005. According to information from the prison administration, in October 2005, sixty-seven cases of persons who had been detained in the country’s main prison in Dili for more than six months without trial and without proper warrants. As a result, a task force on illegal detention was established to look into the matter. By the end of the year, more than 80 per cent of the identified cases of illegal detention had been resolved. Focus has now shifted to working towards the institutionalization of a standardized case management system. One international defense lawyer was assigned to regularly visit the prisons in order to ensure that all detainees are being provided with proper defense services.

Greater efficiency in case management has been achieved in the court registries, with tutoring while adapting to the new procedural laws. However, national court actors will continue to require assistance in the application of the new legislation. Case management within the Prosecution Service, however, remains weak, indicating an urgent need for additional human resources as well as basic office equipment and infrastructure. With assistance from four international prosecutors – three serving as UNOTIL civilian advisers and two under UNDP – the Prosecution Service issued directives establishing clear procedures for, inter alia, the establishment of registries and secretariat departments, collection of relevant statistical data, case file distribution, and hierarchical control on decisions. In addition, a complete inventory and registry of pending criminal files was completed.

Six UNOTIL legal advisers continued to assist in the drafting of legislation, including ministerial organic laws, and the streamlining of procedures and processes
within the Council of Ministers. Lack of qualified national legal drafters, however, remains an important concern, which may cause significant delays in the development and approval of key legislation, unless international support in this area is extended beyond May 2006. UNOTIL legal advisers also continued to support the National Parliament in the exercise of its legislative powers. However, its oversight capacities, especially with respect to the annual national budget and budgetary processes, remain weak. A recent assessment indicated that it would take another ten years before the National Parliament may be fully functional without external advisory support. One UNNOTIL adviser on Petroleum Fund assigned to the Office of the Prime Minister provided assistance and advice to the Prime Minister during negotiations over the sharing of natural resources in the Timor Sea, which led to the 12 January agreement with Australia.

Despite the increased capacity of Timorese counterpart, national capacities in highly technical areas such as justice and finance remain extremely weak, and it has become evident that international advisory support, especially in these two areas, will be required for some years to come. In the justice sector, eight international judges continued to provide training as well as perform line functions in court, including the handling of serious crimes cases. The presence of international judges greatly contributed to the efficient disposition of the cases and reduced the time to complete trials to five months. Nonetheless, it will take a few more years for the national judges to become self-sufficient, as they are still undergoing basic judicial training. President Gusmão has recently expressed his concerns about the capacity of public prosecution to deal adequately with as many as 3,000 pending civil and criminal cases. The situation needs indeed urgent attention, as all the national prosecutors commenced specialized training in January and will not be able to attend their responsibilities. Additional international prosecutors are therefore required. The recent inauguration of the Law Faculty of the National University of Timor Lorosa’e will provide a long-term sustainable solution to the lack of adequate national legal expertise.

Rule of Law

The rule of law in Timor-Leste has been gradually advanced by adopting key national legislation. The Parliament exhibited responsiveness to public demand when it modified the draft law on freedom of assembly and demonstration to allow for demonstrations to be held within 100 meters of governmental and other key public buildings, rather than the more highly restrictive 500 meters originally proposed by the Council of Ministers.

UNMISSET’s assistance in updating online publication of legal reference materials, including its own high-quality English translations of all legislation adopted by the Parliament and Government, along with a large library of subsidiary resources, have also contributed to advancement of the rule of law. These materials are made widely available in relevant languages by means of public and private web sites, and they are extensively relied upon throughout the Government and judiciary. This service has been retained under UNOTIL and will continue until its mandate phases out in May 2006.
The Judicial Training Programme, in which many advisers are involved as trainers of Timorese judges, prosecutors and defenders as well as private lawyers, continues to progress well. In the course of 2006-2007, this post-graduate training programme will produce a cadre of qualified national professionals who will be able to take over more and more of the functions currently carried out by the international advisers. Regrettably, according to the results announced on 20 January 2005, none of the 22 judges were deemed to be fully qualified for conversion to career judges from their current status as probationary judges. However, 20 of them did succeed in completing the preliminary phase of the training programme and will continue with advanced training and might be permitted to work as trainee judges at the same time in certain exceptional cases. On 25 May 2005, the Superior Council of the Judiciary announced that all Public Prosecutors and Public Defenders had failed the qualifying written test that they took in December 2004. The Prosecutors and Defenders can continue to participate in the training at the Judicial Training Centre, but will cease their functions at the Court. This is causing enormous delays in dealing with civil suits as well as criminal cases. The development of both a trained cadre of Timorese court actors and the maintenance of judicial service delivery is indeed a long-term endeavour that will require continued international support.

Further developed legal framework

The Timorese legal framework was further strengthened. Following parliamentary authorization for the adoption of the penal code and the civil procedure code on 29 July, the two codes were reviewed and approved by the Council of Ministers and will become effective in January 2006. Meanwhile, the civil code was submitted to the National Parliament for approval. The recent approval of three procurement laws - on procurement, public contracts, and sanctions on procurement procedures, will enable the Government to standardize its procurement processes. In addition, the law on customs brokers, which regulates their role and functions, is expected to ensure transparency and accountability of the customs service and to facilitate foreign investment and the promotion of exports, with a positive impact on economic development. However, the Government still needs to approve the organic law of the Office of the Inspector General, which exercises control functions over Government agencies, and to establish offices of internal control in all public institutions.

The fifth round of local elections was held in two phases in the districts of Dili and Liquica, on 20 and 30 September in 2005, marking the final round of village and sub-village elections in all thirteen districts. Overall, the elections were conducted in a peaceful and orderly manner and the average voter turnout reached over 80 per cent. Although several political parties had fielded candidates, the ruling party won a large majority. In the fifth round alone, Fretilin gained thirty out of thirty-one village chief positions in Dili district, and twenty out of twenty-three in Liquica district. On 21 December, re-elections were held to fill 18 suco council positions across 10 districts where the Court of Appeal had ordered new elections because of technical irregularities.
Preparations for parliamentary and presidential elections in 2007 are already under way. To date, nine political parties have registered under the 2004 Law on Political Parties. One of them is a newly formed party, entitled UNDERTIM (Unidade Nacional Deicratuca da Resistencia Timorense), whose membership consists mostly of former armed and clandestine resistance members. Furthermore, three of the main opposition political parties represented in the National Parliament have been exploring possibilities of forging an alliance to contest the general elections. The Government has requested international assistance in drafting the electoral laws, voter education and registration for the general elections in 2007 in a letter from the Minister of State Administration to the Electoral Assistance Division (EAD) of the Secretariat. In response to the request, I fielded in November 2005 an electoral assistance needs assessment mission that carried out a realistic assessment of the prevailing conditions and identified several pertinent issues that needed to be addressed in order to realize free and fair elections in 2007. The mission specifically recommended a wide range of discussions and decisions on a number of fundamental issues prior to the drafting of electoral laws, including the role and functions of an independent electoral supervisory body, the electoral system of representation, the timing of the elections, the terms of office of the president and of parliamentarians, and other technical questions. The mission also observed the need for on-going and coherent legal advice, support to voter registration and electoral administration, and allocation of more resources for the 2007 elections. Based on the mission’s recommendations, UNOTIL will provide, within its existing resources, advisory assistance for the preparation of the elections, as part of its efforts to support the capacity building of state institutions. Importantly, the assessment mission recommended that the United Nations should retain a significant political presence at least until the inauguration of the new government in 2007.

Significant progress was also made towards addressing the concerns of veterans. To this end, a special committee of the National Parliament drafted a bill defining, *inter alia*, who would qualify as a former combatant and what entitlements veterans would receive. The National Parliament held a series of hearings with veteran groups and public entities in November, prior to voting on the adoption of the bill. The draft bill is currently being considered by the relevant Committee in Parliament, prior to its finalization, taking into account all views expressed.

Two UNOTIL advisers assigned to the Office of the Inspector General assisted in the completion of the sixty-nine reports covering the Office’s activities since its inception in October 2000. The majority of cases involve non-criminal offences such as negligence by public officers, irregularities and administrative deficiencies. Also reported were five cases of criminal offences such as bribery, theft and document falsifications. The advisers also organized monthly national seminars on auditing and investigations for both public officials and civil society, in cooperation with the Office of the Inspector General, as well as the Offices of the Provedor and the Prosecutor General, the Office of the Adviser to the Prime Minister on Human Rights, the Timorese national police and civil society organizations. It is estimated, however, that the Office of the Inspector General will continue to require further support in the form of training in law, accounting,
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auditing, engineering as well as other areas, in order to strengthen its human resources capacity.

**Respect for Human Rights**

UNOTIL’s mandate clearly reflects this imperative by providing training in the observance of democratic governance and human rights through the provision of human rights officers and by mainstreaming the upholding of international principles, including human rights, into all its capacity building efforts. We have assigned human rights officers to government ministries and state institutions with an aim to strengthening their capacity to protect and promote human rights. Out of the ten human rights officers, five were assigned to various State institutions to strengthen their capacity to protect and promote human rights. These institutions include the Office of the Prime Minister, the Ministry of Foreign Affairs and Cooperation, the Ministry of the Interior, the Ministry of Education, the Office of the Provedor for Human Rights and Justice, and the National Parliament. In this connection, it is commendable that the Office of the Provedor has indeed made great progress in drafting a strategic plan, and establish a complaint handling system, in preparation for the opening of the Office to the public in March this year. The UNOTIL international human rights officer deployed to the Office of the Adviser on Human Rights to the Prime Minister, supported by two national human rights officers, provided key assistance in the implementation of the country’s human rights programme, and the development of a National Human Rights Action Plan. Beyond May, human rights activities will need continued attention by the international community.

The UNOTIL Human Rights Unit also assisted the Office of the Provedor in the recruitment of sixteen staff, which is expected to be completed by mid-February. A number of key requirements remain to be addressed, especially in view of the opening of the Office of the Provedor to the general public between March and June 2006. These include the finalization of the strategic plan by February 2006, and the establishment of a complaint handling system, which should become operational by May 2006. I am pleased to inform you that the Office of the High Commissioner for Human Rights is fully committed to providing necessary assistance and sending a needs assessment mission next month for the purpose of identifying clearly post-UNOTIL requirements.

Under the leadership of Foreign Minister José Ramos-Horta, Timor-Leste demonstrated a remarkable commitment to establish a normative international human rights framework through its early ratification of the full range of the Core Human Rights Treaties in 2003 and 2004. Timor-Leste is about to complete its draft initial human rights reports under the *Convention on the Rights of the Child* and the *Convention on the Elimination of Discrimination Against Women*, with the support of UN agencies and human rights officers.

Within the framework of Technical Cooperation Project implemented by the Office of the High Commissioner for Human Rights (OHCHR), the UNOTIL Human Rights Unit provided support to the Government in the preparation of its initial human
rights treaty reports. To date, a fully participatory national programme of data collection has resulted in the development of the first draft reports, in English on the *Convention of the Rights of the Child* and the *Convention on the Elimination of Discrimination Against Women*. The reports will be translated into Portuguese and Tetum and submitted to the Council of Ministers. A main challenge to the timely completion and submission of the treaty reports remains the lack of effective coordination between the Office of the Human Rights Adviser to the Prime Minister and the Treaty Reporting Programme of the Ministry of Foreign Affairs. Moreover, the process of human rights treaty reporting in Timor-Leste requires substantial human and financial resources. In this regard, it is estimated that support for ongoing treaty reporting activities will continue to be required at least until December 2006.

UNOTIL supported the preparation of the report of the Commission for Reception, Truth and Reconciliation, has been submitted to President Gusmão for further dissemination. UNOTIL also continued to strengthen the capacity of civil society in the field of human rights. To this end, the Human Rights Unit organized three training programmes for private lawyers, members of local human rights organization and human rights activists. The programmes focused on human rights in general, with specific sessions devoted to the human rights of detainees and human rights monitoring. The Unit also continued to work with five human rights NGOs on strengthening their monitoring skills, as part of the human rights violations database project begun in January 2005.

**(4) Transparency and accountability**

I refer to “transparency and accountability” not only with reference to financial accountability and anti-corruption measures, but also more broadly in terms of the need for ensuring transparency of government functioning, and redressing mal-administration, corruption and human rights violations. The Government has rightfully placed a priority on ensuring transparency and accountability. At the national level, there are several institutions which either currently or will in future play a central role in promoting transparency and accountability. These include (a), the Inspector General (b), the Prosecutor General (c), the *Provedor* of Human Rights and Justice and d) the Office of the Adviser on Human Rights to the Prime Minister. The mandate of these bodies to promote good governance through transparency and accountability does not limit, however, the important role to be played by each Government Ministry as well as sovereign organs such as the Parliament and the Courts.

UNMISET has been involved in a diverse range of important initiatives in order to facilitate a culture of transparency and accountability. Assistance for this has been provided by the civilian advisors, as well as other components of UNMISET: not only in terms of the specialist advisers for the Office of Inspector General (2), and the Advisers in the Ministry of Planning and Finance (14), but equally in relation to the Advisers in other Institutions such as Parliament (2), the Office of the Prosecutor General (3), the Council of Ministers (2), and the Prime Minister’s Adviser on Human Rights (1). Other line ministries and agencies as well as specialized units within UNMISET, including the Human Rights Unite and UNPOL Technical Advisers, have also provided assistance.
This assistance has included the establishment of a system of controls on financial expenditure and procurement, the drafting of appropriate regulatory documents, the implementation of the Civil Act of Ethics, the drafting of a Code of Conduct for civil servants in which income and asset declarations are suggested. Also seminars or workshops have been organized to socialize or publicize the concept of transparency and accountability; technical assistance has been provided in relation to the creation of the Office of the Provedor, and staff (police and army included) have been trained in ethics and other techniques of transparency.

Prevention of Corruption and Nepotism

Furthermore, the Government of Timor-Leste has been vigilant and remained largely devoid of any major nepotism and corruption. It was due mainly to the high standards that the Timorese leadership has set for themselves in the conduct of public affairs. It may also have been due to scarcity of resources that have so far been available to the country. As economic activities expand with added revenues from Timor Gap, there will be a risk for corruption to emerge. With this prospect in mind, I commend the Prime Minister’s determination to keep the public service free of nepotism and corruption so that it can be clean and effective. The Office of the Inspector-General, under the auspices of the Prime Minister, has devised a five-pronged anti-corruption strategy: (1) Resolution of structural/jurisdictional/operational overlaps and gaps within the state administration, which could otherwise lead to duplication of mandates, competition for funds and unclear lines of responsibility; (2) Proactive detection and close collaboration with allies to enhance investigate capacity of OIG staff and encourage information sharing; (3) Advocacy for transparency and accountability in civil service to promote a cultural change through the codes of ethics; (4) Building of governance networks within communities, e.g. through local level consultative processes; (5) Development of more informed and active citizenry, e.g. through educational activities in schools or with civil society.

Accountability in Natural Resources Management

Natural gas and oil revenues from the Timor-Sea are widely expected to become the life raft of Timor-Leste. They may also be the major source of decidedly corrupt practices. The Government has established a “petroleum fund” and a set of regulations and fiscal regimes to maintain the proper use of petroleum resources that are critical to Timor-Leste’s efforts to achieve self-sustainable economic growth and resolve the problems of unemployment and poverty.

Expected revenues from known offshore petroleum fields represent a substantial amount of income for a small country such as Timor-Leste, whose population numbers just under one million. On 12 January 2006, Timor-Leste and Australia signed an agreement on the sharing of natural resources from the Timor Sea, allocating 50 per cent of the revenues to Timor-Leste, which will provide the country with the much-needed means to promote its social and economic development and to improve the living
conditions of its people. The total value of known oil and gas reserves in the Timor Sea is estimated at approximately US$25-30 billion depending on the fluctuations of the oil price and other uncertainties, during its anticipated lifespan of 25-30 years. The Timor Sea Treaty between Australia and Timor-Leste, an interim agreement that regulates petroleum activity and revenue-sharing in the joint area of the Timor Sea, may earn Timor-Leste an estimated US$4-6 billion in the coming decades depending on the permanent maritime boundaries, which both countries will agree upon.

Production has begun in the Bayu-Undan field, one of the largest known oil and gas fields in the Timor Sea. The government of Timor-Leste received US$26 and US$38 million in tax and royalty revenues in the budget years 2002/03 and 2003/04, respectively. It is estimated that revenue from the Bayu-Undan field will increase dramatically this fiscal year 2004/05 to about US$200 million thanks to the extremely high global price of petroleum. For fiscal year 2005/06, the Government has just formulated the national budget amounting to $106 million, representing a more than 35 percent increase from the national budget of $75 million for 2003/04.

The Government is committed to ensuring that revenues from Timor-Leste’s petroleum resources are managed responsibly and transparently, especially considering the fact that many nations around the world are rich in petroleum or other minerals but have been unable to utilize their wealth for the benefit of their populations. If Timor-Leste’s revenues from oil and gas resources are properly saved and used, they will contribute greatly to the country’s economic development and reduce its dependence on external financial assistance. The Timorese government intends to use its petroleum revenues to pay for essential public services such as schools, hospitals and roads. But the government also intends to save some of the revenue so that future generations will benefit from Timor-Leste’s natural endowments.

The National Parliament adopted on 20 June 2005 the Government’s proposed Petroleum Fund Act (PFA), creating a Petroleum Fund for the prudent and transparent management of the nation’s petroleum revenues. The PFA was passed with the historical record of 68 votes in favour, none against and no abstentions. The PFA was sent to Parliament in April this year by the Council of Ministers, after extensive consultations with Parliament and civil society that began in October 2004. The Fund was officially established following promulgation by the President. The Petroleum Fund is designed so that it receives all revenues from petroleum exploitation, as well as the returns on the Fund’s investments. The opening balance of the Fund will consists of the approximately $70 m that has been accrued since 2004 from royalties from production sharing contracts in the Joint Petroleum Development Area and an amount to be decided by the Government from the taxes from petroleum activities in the Timor Sea that have accumulated (about $ 200m) in the Consolidated Fund for East Timor (CFET). It is an instrument to manage the petroleum wealth wisely and to help build an understanding of the need to save a substantial share of the petroleum revenues.

The Government has been keen to establish a petroleum regime based on global best practices suitably adapted for Timorese conditions, from the international
community. It is important that such revenues are utilized in a transparent and accountable manner to achieve poverty reduction, economic growth and sustainable human development, as stipulated in the National Development Plan. Democratic institutions of the state and civil society must work together to ensure that all communities equitably share the benefits of economic growth.

The existence of democratic governance structures is critically important, as it will safeguard the proper use of increased wealth generated by expanded economic and commercial activities such as oil and natural gas production in the Timor Sea. Adherence to democratic principles and the development of human capacity to administer these activities will help ensure that the vast majority of people benefit from economic growth and improved living standards. Transparency is a prerequisite for working towards economic justice in society.

(5) Poverty reduction and economic growth

Timor-Leste continued to show strong commitment to work towards the achievement of the goals laid out in the national development plan, and to enhance efforts to attain the Millennium Development Goals. Nevertheless, it remains one of the poorest countries in the world with more than 40 percent of the population living below the poverty line and rapid population growth (preliminary estimates from 2004 Census indicate an annual growth rate of 4.3 percent between 2001 and 2004). There are two. The most useful potential poverty measure is the national poverty line which was set at $0.55 per day. On this basis, and adjusting for Timor-Leste’s late start, the target would be to reduce the current proportion of 40 percent to around 27 percent by 2015. An alternative measure is the standard used for international comparison of $1-per-day in purchasing power parity dollars. Since the cost of living is remains low in comparison with the United States, US$1.00 in actual dollars in Timor-Leste is considered to be worth about $2.60 in the United States. On this basis the current income poverty rate is 20 percent in terms of US dollars at price purchasing parity and the target for 2015 would be 14. Another target is to reduce the proportion of underweight children, which would mean reducing the rate from the current value of 48 percent to 31 percent by 2015. This will require much stronger policies on food security and also greater support for mothers.

According to the 2004 Human Development Index, life expectancy at birth is 58.4 years (female 60.1 years and male 56.6 years, based on preliminary estimates of Census 2004); health standards, compromised by a lack of food, are very low, with widespread respiratory and diarrhoeal diseases as well as endemic malaria and dengue fever. The education level is also very low with the adult literacy rate at only 47.3 percent (female 41.2 percent and male 53.4 percent, based on preliminary calculations of Census 2004). Notably, illiteracy is greatest among the older population (among 15-34 year-olds, 85 percent are literate, while among those over 50, the proportion drops to 20 percent). Unemployment is also very high, with 41 percent of the population living below the national poverty line. Faced with limited prospects at home, a few of the more enterprising youth are migrating to seek their fortunes in foreign lands with an average of
about 800 Timorese young people leaving the country each year looking for opportunities abroad.

While the data on income poverty give some indication of deprivation they show only part of the picture, since people can be deprived in many ways other than having a low income – they may be in poor health, or illiterate, or malnourished or lack access to services. In an attempt to reflect this, UNDP has developed the human poverty index (HPI) which is a composite measure of deprivation that combines the probability of survival to age 40, illiteracy, the proportion of children who are underweight and the proportion who lack access to clean water. Timor-Leste’s HPI for 2001 was 48.9, virtually the same as for 1999, with improvements in life expectancy being offset by deterioration in living standards and in access to safe water.

In 2002, the global Human Development Report calculated HPIs for 94 countries. It did not include Timor-Leste but the country’s value of 48.9 would have placed it after the 86th country, Mauritania, and just above Mozambique. Preliminary estimates of HPI in 2004 indicate a value of 45.2, or a drop of 3.8 percent as compared to the 1999 figure. The decline is largely related to the drops in “probability at birth of not surviving to age 40” and “adult illiteracy rate” during the period, while “unweighted average of deprivation in a decent living standard” increase from 45.7 percent in 1999 to 49.5 percent in 2004. This increase was mainly due to a significant increase in the incidence of under-weight children under five from 44.5 percent to 55.2 percent during the same period. This would place Timor-Leste between Côte d’Ivoire (45.0) and Benin (45.7) in the 80th rank.

The weak national economic situation results in slow progress in terms of improvements in human development indicators, as well as in social and political areas. One notable economic phenomenon is the presence of a large number of foreigners associated with UN peacekeeping operations, which has succeeded in creating a dual economy. Urban areas, particularly the capital city of Dili, have benefited enormously from the inflow of goods and services catering to peacekeeping personnel, while rural areas have been left neglected and their basic infrastructure facilities are mostly non-functional. The inequity among people within Timorese society has widened as the “Diaspora” groups who had been educated in exile took up government positions or secured other employment, while those who had remained in the territory became disadvantaged as they remained illiterate and uneducated. The Government will need to accelerate its efforts to improve agricultural productivity and marketing, develop a dynamic private sector, strengthen Timor-Leste’s institutional capacities and make effective use of the prospective oil/gas wealth in order to improve growth prospects and reduce poverty.

Marginalized and vulnerable groups: veterans and ex-combatants

In a post-conflict society, it is essential that marginalized and vulnerable groups including former independence fighters, returnees, widows, youths and children are provided adequate support in a timely manner so that they can re-establish their social
status and livelihoods. The major risks for instability and internal conflict that may lead to civil war in Timor-Leste in the medium-term are primarily related to lack of equitable and sustainable economic growth and development. The most effective way to minimize internal threats is to develop an endogenous and self-reliant economy, designed to prevent instability and exploitation of the poor and marginalized groups especially in the border areas and the enclave, and to build up effective, accountable Government and security institutions while minimizing disgruntled elements who feel they have been neglected or are outside the system. Failure to manage internal issues will increase the country’s vulnerability to external threats.

The international community has provided support to veterans and ex-combatants. In Timor-Leste, veterans are those who served in the armed independence struggle between 1881 and 1999, while ex-combatants are referred to as those who served between 1975 and 1979. The former armed resistance fighters and a larger number of former clandestine members hold the self-perception that they have been neglected and could also pose a threat to the stability of the country, especially those who were not recruited to the National Defense force (F-FDTL) or the National Police during the UNTAET transitional period. It was recognized that some of the former ex-combatants were facing difficulties in adjusting to the social and economic aspects of the new civilian life, and in competing with other East Timorese who have benefited from past economic and educational opportunities denied to the ex-combatants throughout their dedication to the armed struggle. There remains potential for the group to influence or mobilize unemployed youth to provoke social disturbances and unrest, which could lead to instability as happened on 4 December 2002 when countless numbers of youths and anti-government activists demonstrated and burned a number of retail stores and private houses in the capital Dili, including the Prime Minister’s own residence.

Programmes for veterans and ex-combatants

Two major programmes were implemented in support of the veterans and ex-combatants. The first programme, the Falintil Reinsertion Assistance Programme (FRAP), was designed to facilitate the economic and social integration of armed ex-combatants. Funded by the World Bank and USAID, and implemented by the International Organisation for Migration (IOM), FRAP provided selected former independence fighters with $500 along with livestock, tools and other means to start income generating activities. RESPECT (The Recovery, Employment and Support Program for Ex-combatants and Communities for Timor-Leste) is the second Programme, funded largely by a donation of $3.9 million from Japan and a symbolic contribution from Thailand. It has addressed the social and economic integration of vulnerable groups that included not only veterans and ex-combatants but also widows and unemployed youth. Taking into account lessons learned from FRAP, RESPECT has concentrated on providing short and medium term employment and sustainable livelihood opportunities through the participation of vulnerable members of the population in agricultural development and reforestation activities, community level infrastructure rehabilitation, and vocational training. Both FRAP and RESPECT were undertaken primarily by international
organizations, although decision making was entrusted to district administrators and local officials on the use of $100,000 given to each of the 13 districts.

As the need to empower and entrust national institutions is increasingly recognized, in collaboration with the UN Capital Development Fund, UNDP has decided to support the Government’s efforts towards decentralization and the formation of local governance policy with the launching of a Local Development Programme (LDP) in January 2005 in Bobonaro district. Moreover, the project aims at enhancing poverty reduction efforts in Timor-Leste through a decentralised approach to infrastructure and service delivery. The local level institutional arrangements for implementation of LDP projects reflect the actual local governance structure with district and sub-district councils composed of legally elected suco (village) and aldeia (hamlet) representatives and Government-appointed officials, including representatives of women, youth and the elderly. The local planning and implementation process will shift the preponderant responsibility for identifying and meeting needs and issues to local people, and away from central government. So far with the assistance of UNDP, the Ministry of State Administration has succeeded in training district, sub-district and village officials in project formulation and implementation. It is expected that some 60,000 people would benefit from the activities of the LDP project. The LDP is designed to apply the lessons learned from the implementation of FRAP and RESPECT and to maximise the benefit to local government and inhabitants by increasing ownership and accountability. The share of project budget spent on foreign inputs will be reduced substantially and the modality for project formulation and implementation will encourage more self-reliance on the part of local communities. We are watching carefully whether this programme can indeed deliver the necessary funds efficiently and effectively to the local level through governmental channels.

Marginalized and Vulnerable Groups: youth and women

Above all massive unemployment, particularly among the youth constitutes a major risk factor for the emergence of conflict. Continued rapid population growth and the relatively young population translate into rapid growth in the labour force. During 2003-2015, the labour force is projected to grow at 4.4 percent a year. New entrants into the labour force average 14,000 a year during 2003-2007, rising to 20,000 a year by 2015. This is a tremendous pressure for a small country like Timor-Leste, the total population of which is now estimated around 926,000 according to a recently completed population census conducted by UNFPA.

In addition to alienation and dissatisfaction voiced by former independence fighters and youths, a surge in the violent clashes by Martial Arts Groups in Timor-Leste has become a potential source of instability. Some of the clashes have resulted in serious injuries besides the killing of three Martial Arts Groups members on 16 June 2004. The confrontation had reached a height with the razing of twenty houses in a village community on 13 August 2004. The Martial Arts Group situation, if not controlled, could get out of hand and may affect the internal security situation of the county and cause increasing tension in local communities. This kind of violence is present in many
countries, but in a country like Timor-Leste it poses a slightly more serious problem because of the inexperience of the police force to respond appropriately, and due to the poor economic outlook for gainful employed, in particular of the Timorese youths. It was these kinds of groups that were manipulated in the past to terrorise the population, and could conceivably be financially motivated again in the future. It is reassuring, however, that following President Gusmão’s Independence Day Message to the Nation on 20 May, in which he indicated his concern about MAGs’ affiliation with political parties and the potential formation of party militias, representatives of major MAGs gathered in Dili and signed a declaration of a new umbrella group stating that member groups are not allowed to be affiliated to political parties. Along with the Prime Minister, I was invited by the President to attend the signing ceremony and observed it on behalf of the international community rendering the legitimacy of reaching an agreement to behave and conduct their affairs in a peaceful manner.

Another challenge for the Government and the development partners is an urgent need to support and empower vulnerable groups including women and widows, former independence fighters, unemployed youths and disabled persons.

Gender based discrimination continues to manifest itself not only in the family, but also outside the household including in the professional sphere. In the appointment of sub-district administrators only one woman was included in the 65 appointees. I do hope that more concerted gender mainstreaming efforts are made to include women in all levels of professional appointments in the Government so that the female half of the Timorese population is adequately represented in local as well as national governments.

Domestic and other forms of gender-based violence still dominate the agenda in Timor-Leste. Last month, UNIFEM re-established its office in Timor-Leste in recognition of the seriousness and widespread gender based discrimination. UNFPA is also supporting the Office for Promotion of Equality. UNICEF too is assisting in this area.

Inequality in Timor-Leste

Poverty is closely linked to inequality. This is normally measured using the Gini index, which varies from zero (perfect equality) to 1 (one person owns everything). Timor-Leste’s Gini index for 2001 was 0.37, an increase from the figure of 0.35 for 1995. An econometric analysis indicates that the correct Gini index is 0.41. This is a fairly higher figure compared with the rest of the region. Inequality can also be expressed in terms of share of total expenditure: in Timor-Leste the poorest two-fifths of the population account for less than 18% of total expenditure while the richest two-fifths account for 66%. As in many other developing countries, inequality may have increased between urban and rural areas and higher within urban centres than in rural areas.

Poverty and inequality are usually expressed in terms of income. But there is also inequality in assets. For the three-quarters of the population that relies on agriculture the greatest asset is land. Average landholdings are small at 0.4 hectares per person. However among the poorest half of the population that has access to land the average is less than
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0.22 hectares. Fewer than 5% of the population with land access hold more than one hectare per capita.

The next most important rural asset – and factor of production – is livestock, comprising cattle, pigs, chicken and other animals. Around 90% of the rural population live in households that own livestock. The average value of this livestock is $100 per capita – roughly four times the average monthly expenditure. However 10% of people in the rural areas have per capita livestock holdings in excess of $200.

Another area of inequality is the rural-urban imbalance. Based on my own observation in the districts and participation in the Open Governance meetings held in Viqueque, Bobonaro and Manufahi, I could not but help recognize the large development divide between urban centres and the rural areas of the country. Data from such sources as the Timor-Leste Poverty Assessment confirm this. It shows that poverty affects two in five persons, and is predominantly rural. Urban areas like Dili and Baucau are considerably better off than rural areas. While one person in seven is poor in Dili and Baucau, more than four in ten are poor in rural areas.

Decentralization not only of government services but also of development assistance is a means to address this rural-urban imbalance. Centralized systems in the provision of basic services tend to be inefficient and ineffective. If we want to improved education and health services to reach the populations in the villages and hamlets, we need to decentralize the decision-making power and resources to at least the districts and sub-districts. We need to bring the services closer to the people. We need to make the service delivery accountable to the people at the grassroots.

MDGs and National Development Plan

One of the targets of the Millennium Development Goals is to reduce the income poverty by half between 1990 and 2015. On the basis of past trends, the data shows that the East Asian region as a whole will have no problem in meeting its millennium target. The percentage of population below $1 per day in the region is expected to be only 5.43, whereas the region’s target is 13.79 percent. The expected number of poor in 2015 will be 124 million, whereas the target is 226.2 million. There are four countries in the East Asian region that will not meet the target of reducing the number of poor to half in 2015. These countries are Cambodia, Lao PDR, Papua New Guinea and the Philippines. Timor-Leste may also fall into that category, as its starting year was 2001, so 12.5 years behind the countries that have started earlier (i.e. 1990).

To meet the first Goal of the Millennium Development Goals, the percentage of poor in Timor-Leste must reduce from 39.7 percent in 2001 to 26.9 percent in 2015. This means that the incidence of poverty must reduce at an annual rate of 2.73 percent from 2001 to 2015. The poverty gap ratio must reduce from 11.9 percent in 2001 to 8 percent in 2015.
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If Timor-Leste is to reach the target of halving extreme income poverty, rapid and environmentally sustainable growth is certainly essential. The pro-poor growth is good for the poor but is even better for the ultra-poor. However, if growth is more equitable—so that the incomes of the poor grow faster than average—Timor-Leste has a much better chance of reaching the target. In many countries, high inequality has been an obstacle to sustained growth—by depriving a substantial proportion of the population of access to economic opportunities. Hence, a strategy of equity-led growth will be needed in many countries if they are to meet the challenge of halving poverty between 1990 and 2015.

The mandate for peacekeeping missions does not address the imperative of reducing poverty and inequity while the nation’s main objectives have been to reduce poverty and promote economic growth. UNDP and development partners supported the Government of Timor-Leste in internalizing the Millennium Development Goals (MDGs) and aligning the National Development Plan with the MDGs. With support from the UN Country Team, a National MDG Steering Committee was constituted under the chairmanship of the Prime Minister in March 2003. Timor-Leste now aims at reducing poverty by a third by the year 2015. This goal appears short of the target set by the Millennium Development Goals as they call for halving the proportion of people whose income is less than one dollar a year and who suffer from hunger. However, this is due to the fact that Timor-Leste’s independence was achieved about halfway through the 25-year timeframe over which the goals were to be achieved. UNDP, in cooperation with other UN agencies, has been assisting the Government of Timor-Leste in achieving the MDG targets by providing policy advice. There have been a myriad of MDG-related global and regional events that the Government has participated in with the support of UNDP and other agencies. Together with the Prime Minister, an MDG workshop was launched on my initiative on 5 April 2005, bringing together senior government officials, international advisors, UN agencies and development partners.

The National Development Plan (NDP) of Timor-Leste was prepared in 2001/2002 by the National Planning Commission through participatory consultations in over 1000 forums with about 38,000 people throughout the territory, under the leadership of President Xanana Gusmão. Several sector working groups with government and civil society were actively involved in the formulation of the Plan, which was adopted by the National Parliament on the eve of the restoration of independence, and it has served as a key guideline for Timor-Leste and its development partners since 20 May 2002. This was a good example of the early involvement of national and local authorities in the development plans of the country, as this contributed to their sense of responsibility and ownership. From this national dialogue came the 20-year national vision for the country known as Vision 2020. It identifies education, health and employment as the people’s top priorities. The NDP works towards this vision, providing a 5-year development framework and strategy with the main objectives being poverty reduction and promotion of economic growth that is equitable and sustainable, and improves the health, education and well-being of every Timorese. Key development indicators in the NDP explicitly draw on the global MDGs.
• Poverty reduction (Goal 1)
• Food security and eradication of hunger (Goal 1)
• Universal primary education (Goal 2)
• Gender equality in education and other areas (Goal 3)
• Improving health including reducing infant mortality (Goal 4), and
• Maternal mortality (Goal 5)
• Reducing the spread of non-infectious and infectious diseases including HIV/AIDS (Goal 6)
• Sound management of natural resources and the environment (Goal 7)
• Extending access to clean water and safe sanitation (Goal 7)
• Addressing the needs of youth including employment (Goal 8)
• Cooperation with other countries, regional and international organizations, including the UN (Goal 8)

As a tool to implement the NDP and to structure the development assistance requirements of the respective sectors, the Government recently launched a Sector Investment Programme (SIP). The SIP is an instrument that enables the Government to articulate policy frameworks, development priorities, and concrete programmes for each sector, which can serve as a basis for decisions on the effective allocation of scarce donor and budgetary resources. The SIP, therefore, is also a tool for more effectively coordinating resource mobilization and assistance design/implementation in line with the objectives and priorities set by the country itself. The SIP represents a pivotal stage for Timor-Leste in assuming greater responsibility for the coordination of external aid, since the Government had previously been heavily dependent on the Trust Fund for East Timor (TFET) and joint donor missions for the systematic development of sector policies and programmes.

Within the SIP framework, the Government has established a sector coordination mechanism. For each sector, a Working Group will facilitate dialogue and coordination with international donors, under the leadership of the key governmental entity in that sector. Timor-Leste has made important headway in taking over responsibility for planning, mobilizing, coordinating, and managing external assistance in line with its development priorities. However, a number of challenges remain.

Meanwhile, the Transition Support Programme (TSP), (now the Consolidation Support Programme (CSP) led by the World Bank), has become an ideal budgetary support mechanism that has worked very successfully in Timor-Leste. It allows for policy dialogue and coordination as well as internal and external regular monitoring that increases the exchange of information and views between international experts, their national counterparts and civil society with a view to assisting the Government in its efforts to tackle poverty. It was particularly interesting to note that during the recent visit of the CSP Appraisal Mission in mid-March, the development partners expressed keen interest inter-alia in enhancing integrity, transparency and accountability in the government’s budget execution and management process.
As I said in a meeting of NGOs organised by Lao Hamutuk earlier this year, my sincere hope is that Timor-Leste will be elevated in its position in the Human Development Index from the current rank of 158th along with the bottom 20 other low human development countries that are found in Africa to the group of medium human development countries that include Indonesia (111), Viet Nam (112), India (127), 130 (Cambodia) and Papua New Guinea (133). It is my vision that Timor-Leste with poverty reduction, economic growth and the corresponding sustainable human development will reach a position of comparison with other neighbouring countries in Southeast Asia and the South Pacific by year 2020. It would mean that (1) the per capita income of Timor-Leste will increase by five to six times to $2,500 PPP to $3,000 PPP; (2) adult literacy rate should reach 80 to 85 per cent in official language of either Tetum or Portuguese; and (3) life expectancy at birth should increase at least by 10 years from current 58 to 70 years.

With this vision of Timor-Leste reaching the level of development comparable to other countries of Southeast Asia and the Pacific in mind, I wish first to present a conceptual framework for economic justice and poverty reduction; secondly to document how poor the living conditions of ordinary people of this country are in comparison with other countries; thirdly, analyze human poverty in Timor-Leste; fourthly to discuss the roles of democratic institutions of this country in achieving economic justice and poverty reduction by addressing economic policies and practices through enhanced transparency and accountability. I will then turn to the importance of improved food security as part of a sound poverty reduction strategy and lastly, outline sector investment programmes and private sector development.

**Sector Investment Programmes and Private Sector Development**

With the assistance and consultation with development partners, the Government has prepared a medium-term investment programme through the formulation of sector investment programs covering more than 15 sectors and sub-sectors. The Government plans to seek donor assistance for the investment program in the coming months. The positive engagement and adequate support of development partners will be critical for the economy in the short and medium-term, before substantial oil and gas revenues from the Timor Sea begin to flow in 2008 or soon thereafter.

The Government has now launched the Sector Investment Programmes (SIP) as a process of preparing and refining annual and medium-term public investment programmes on a rolling basis in combined sources budget framework. The Government intends to use the SIP as a framework and guide for setting priorities and resources allocations with the results incorporated in the budget and other planning activities of the Government.

Along with the adoption of SIP process, the Government hopes private sector will become a strong driving force for realizing sustainable economic growth and solving the problems of unemployment and poverty that would eventually alleviate the incidence of conflict. The private sector currently accounts for half of the GDP of Timor-Leste, or
about $190 million a year. As characteristic of the subsistence economy, private production is dominated by agriculture, which accounts for about $100 million of GDP. Non-agriculture private sector output is relatively small, although the sector experienced rapid growth during 2000-2002, having expanded at about 12 percent a year under the impetus of donor-funded reconstruction works and retail business associated with the build up of UN personnel. These expenditures have been the driving force for income and employment growth for much of the past four years.

The economy of Timor-Leste is at a critical juncture now. The decline in the UN presence has already led to contraction in the economy, with adverse effects on the small non-agricultural private sector. Growth in 2002 slowed appreciably. With prospective reductions in donor funding, the current contraction of the economy is expected to continue for at least another year or more. The Government is very conscious of the importance of a growing economy that is able to generate new employment opportunities. Given its size, the non-agriculture private sub-sector has only limited capacity to create productive employment opportunities, even with strong growth. Yet it is the non-agriculture sector that must bear the brunt of employment creation for the 14,000 new entrants into the labour force each year. Although the agriculture sector employs about three quarters of the labour force, it has only limited capacity to create productive new on-farm employment. Most of the output gains in this sector are linked to increasing the very low levels of productivity of the existing labour force. If anything, the agriculture sector can be expected to shed labour.

The private sector must increasingly become the primary source of growth in incomes and employment for the Timorese. The Government recognizes that a major effort is needed to stimulate private business and investment activity. Part of the solution is related to the further commercialization of agriculture and the production of marketable surpluses for domestic and export markets. Increased agricultural productivity and improved rural livelihoods translate into increased demand for off-farm goods and services. Another part of the solution requires increased private investment that leads to diversification of the economic base. Despite the current weak domestic demand, there are important opportunities for business growth and investment in the medium term; these include the construction industry, tourism, and further commercial development of the natural resources of the country. The path towards a stronger private sector also requires that the large investments in the Timor Sea lead to early onshore investments in the non-oil and gas sectors, especially those areas that involve labour-intensive activities and import substitution manufacturing activities.

The Government has embarked on a major effort to improve the enabling environment for domestic and international private investment in Timor-Leste. It is expected that this achievement will be accomplished over the next four years, thereby laying the foundations for future sustained strong growth led by the private sector. This initiative will be coupled with a more aggressive programme, to be undertaken in close collaboration with the domestic and international business community, to attract additional investment to the country. To this end, the Government has adopted a private investment policy and various laws and decree-laws have been passed or are at various
stages of drafting or consultation prior to enactment. Only in this way, can the country expect to be able to create productive employment opportunities for new entrants into the labour force and create increased opportunities for productive off-farm employment for the much larger numbers of people currently employed at low levels of productivity in agriculture.

This increased emphasis on the role of the private sector is entirely consistent with past policy pronouncements. The central role of the private sector in national development is enshrined in the Constitution, which requires that the economy be based on market principles. The role of private activity as the engine of growth was also underscored in the National Development Plan (NDP), and in the Road Map exercise completed earlier last year. More recently the Government adopted in early 2004 a private investment policy, which brings greater focus and clarity to the economic operation leadership role expected of the private sector, both domestic and foreign.

**Support for economic and social development from UN Agencies and development partners**

United Nations agencies, funds and programmes, together with the Bretton Woods institutions and other donors continued to provide assistance to help Timor-Leste meet its social, economic and human development needs while preparing to take over responsibilities from UNOTIL in May 2006. The World Bank continued to coordinate the consolidation support programme, which contributes approximately $10 million per year to the national budget of Timor-Leste, while monitoring progress in the areas of governance, basic service delivery and job creation. Since August 2005, the Trust Fund for Timor-Leste, administered by the World Bank, has assisted, *inter alia*, the establishment of the Petroleum Fund, the rehabilitation of twenty-two market sites, the training of 4,000 new entrepreneurs at the five business development centres, the activities of the electronic information centre for agriculture, and increased access to education through the construction of six schools. The World Bank has also prepared a multi-donor funded Planning & Financial Management Capacity Building Programme, contributing approximately $35 million. This support will be channelled towards strengthening staff capacity in planning & financial management at various levels in the Ministry of Planning and Finance, in-line ministries and districts. The road rehabilitation programme administered by the Asian Development Bank is also at full throttle with seven contract packages being implemented concurrently.

The International Monetary Fund (IMF) continued to assist the Timorese authorities in addressing key policy issues, including how best to employ growing oil and gas revenues so as to improve infrastructure and social services in a stable macroeconomic environment. In this regard, the IMF provided substantial technical assistance to the Banking and Payments Authority of Timor-Leste in the establishment of a full-fledged central bank and in developing its capacity for management of the Petroleum Fund. As stated above, the IMF also intends to appoint a long-term advisor to the Director of the Treasury in the Ministry of Planning and Finance.
UNDP continued with the implementation of its Institutional Capacity Development Support Project and Human Resource Management Project, assisting in the further development of Timorese institutional, organizational and human resource capacities. As reported in paragraph 13 above, the UNDP Justice Sector Support Project continued to provide training to Timorese judges, prosecutors and public defenders, in cooperation with UNOTIL judicial advisers. This programme and the UNDP Parliament Support Project are expected to take over the functions of the advisers’ posts currently performed by UNOTIL in the coming months, and to continue and expand coordinated support to the justice sector and the National Parliament. In collaboration with the United Nations Capital Development Fund, UNDP continued to work with the Ministry of State Administration to establish a decentralized local government system. To date, 9 local assemblies have been established, and 171 local assembly members and local government officials have been trained. UNDP also supported the completion of the local election process, including through the provision of training to 1,228 female candidates, in cooperation with the United Nations Development Fund for Women (UNIFEM). In addition, UNDP supported a project on sustainable water and energy services in rural areas, funded by the United Nations Trust Fund for Human Security.

Together with the United Nations Office for Project Services, UNDP has continued to implement community activation programmes, including in the districts of Ainaro, Mantuto and Oecussi. Moreover, in cooperation with the United Nations Volunteers (UNV), UNDP continued to support the Civil Society Organization Project, which has provided grants to enhance the capacity of 21 civil society organizations. 94 United Nation volunteers are currently deployed to Timor-Leste, while UNV fields 24 Timorese volunteers to other countries.

The Food and Agricultural Organization (FAO) continued to assist the Ministry of Agriculture, Forestry and Fisheries in the development of an agricultural statistics system, as well as in the preparation of a national forest policy aimed at addressing the problem of land degradation and natural disasters due to increased illegal logging of wood. In order to prepare for emergencies caused by food shortages, the World Food Programme (WFP) and the Government of Timor-Leste are currently undertaking a rapid needs assessment in the affected areas of twelve districts. WFP and the Government of Timor-Leste have also launched Safety Net, a programme that provides supplementary feeding for pregnant and lactating women and children under five, and daily snacks for primary school children.

In the health sector, the World Health Organization (WHO) continued to support key initiatives, including the coordination of a national task force for addressing avian flu. With technical support from WHO, the Ministry of Health was able to provide central and district-level health care providers with basic knowledge required for the management of avian influenza pandemic. In addition, WHO continued to assist the Ministry of Health in strengthening the integration of disease surveillance, as well as in the areas of maternal and child health, health promotion and communicable diseases. In cooperation with the WHO, United Nations Children’s Fund (UNICEF) also helped the Ministry of Health to conduct a nationwide vaccination campaign against poliomyelitis.
UNICEF supplied HIV/AIDS test kits for use in select health facilities and regional hospitals, as well as provided training for staff at the Ministry of Health on voluntary and confidential counseling and testing. UNICEF also assisted local health officers in the development of a programme of community-based family health promoters. The United Nations Theme Group on HIV/AIDS, chaired by UNDP, supported the Government in organising a National AIDS Conference in December 2005 with participation from all 13 districts. International resource persons provided the regional and global context, as well as the participation of People Living with HIV/AIDS (PLWHA). The Theme Group is also providing technical advice for the drafting of a new HIV/AIDS Strategic Planning for HIV/AIDS/STI to be finalized during a second HIV/AIDS Congress in February 2006. Further, the Theme Group is assisting the Government in the operationalization of the Global Fund grant.

Meanwhile, the United Nations Population Fund (UNFPA) continued to support the improvement of emergency obstetric care in district hospitals. UNFPA is also carrying out a review of the national family planning programme, prior to the development of a national plan of action. In addition, UNFPA continued to support the Ministry of Planning and Finance and the National Statistics Directorate in the analysis of the data from the 2004 census.

In the area of education, the United Nations Educational, Scientific and Cultural Organization (UNESCO) assisted the Ministry of Education and Culture in the organization of the first conference on science education in Timor-Leste. UNESCO also continued to support pre-service and in-service teacher trainings, in partnership with the National University of Timor-Leste. Meanwhile, UNICEF supported the Ministry of Education and Culture in training grade one teachers in the implementation of the first bilingual national primary school curriculum. UNICEF also continued to support the Life Skills Based Education training programme for young people.

The United Nations High Commissioner for Refugees (UNHCR) continued to encourage the development of national law and regulations for the protection of refugees and to support the enhancement of capacity of the Asylum Unit within the Department of Immigration. UNHCR also continued to provide direct assistance to asylum seekers and refugees, ensuring that their basic needs are met. The International Organization for Migration (IOM) continued with the implementation of its Assistance to Community Stabilization Programme, which provides over $1.2 million in direct material support to vulnerable communities, to enhance their capacity to take charge of their own development.

(6) Justice, truth and reconciliation

In order to set the framework for my analysis of the justice, truth and reconciliation process in Timor-Leste, I wish to quote a statement made by the United Nations Secretary-General Mr. Kofi Annan in one of his reports on the rule of law and transitional justice in conflict and post-conflict societies: “Where transitional justice is required, strategies must be holistic, incorporating integrated attention to individual
prosecutions, reparations, truth-seeking, institutional reform […] or an appropriately conceived combination thereof. It is now generally recognized that truth commissions can positively complement criminal tribunals, as the examples of Argentina, Peru, Timor-Leste and Sierra Leone suggest. And in Timor-Leste, the Serious Crimes Unit worked in close conjunction with the Reception, Truth and Reconciliation Commission […].”

That long-term sustainable peace cannot be achieved without justice and reconciliation is a lesson learned in successive United Nations efforts in peacekeeping and peace-building in post-conflict situations across the globe. The complementary approach of justice, truth and reconciliation in the post-conflict context significantly supports and enhances sustainable peace-building. As these concepts are often misunderstood and at times abstract, I will begin by providing some basic definitions in light of the local context.

There are different forms of “justice” from the retributive justice of most formal judicial systems, where the guilty are punished by imprisonment, to the various systems of non-judicial restorative justice, where apology, compensation or community service may be received by victims or communities after an admission of guilt by the perpetrator.

What connects reconciliation as a form of societal healing and justice as instrumental in securing that reconciliation is the notion of “truth”. Many experts in the area of transitional justice argue that only with the identification and the telling of Truth or truths through formal judicial systems and non-judicial means can any real healing of society be achieved and any sustainable peace be secured.

To define “reconciliation” is a complex matter. For our purposes, I will adopt the definition of “reconciliation” as societal healing where a society reconciles with its past and groups of individuals reconcile with each other. The notion of reconciliation is multi-faceted including interconnected concepts from individual acceptance, restoration of dignity through recognition and memorial to justice whether as formal retributive justice or in the restorative sense.

The Complementary Processes of Justice and Reconciliation for Sustainable Peace

With this conceptual background in mind, I will address the challenges in the implementation of the complementary process of delivering justice, searching for truth and promoting reconciliation to build long-term and durable peace in post-conflict Timor-Leste.

In the early peacekeeping phase, the United Nations transitional administration in East Timor adopted a holistic approach, often referred to as a transitional justice approach, to addressing and dealing with the complex conflict in Timor-Leste while fulfilling the

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mandate of the United Nations peacekeeping mission to bring the perpetrators of serious crimes in 1999 to justice.

To deal with crimes committed before and after the popular consultation in 1999, the approach combined a formal judicial process for international crimes against humanity and other serious criminal offences committed between 1 January and 25 October 1999, with a complementary system of restorative justice through a community-based reconciliation process with the aim to reintegrate former militia. The Commission has also worked to examine the human rights violations from the 25 years of conflict in Timor-Leste through national truth-seeking and truth-telling.

**The Serious Crimes Process in Timor-Leste**

In understanding the establishment of the formal judicial process to prosecute serious crimes, it is important to recall that in the months following the violence after the UN-organised popular consultation in August 1999 that the UN Security Council emphasised the importance of establishing a formal judicial process to bring to justice perpetrators of serious crimes in 1999\(^2\). The United Nations International Commission of Inquiry on East Timor (ICIET) visited Timor-Leste after the ballot in 1999 and reported there was evidence of “a pattern of serious violations of fundamental human rights” by the Indonesian security forces and Timorese militias, expressing a view that “ultimately the Indonesian Army was responsible for the intimidation, terror, killings and other acts of violence”.\(^3\) The Report of the ICIET called, *inter alia*, the United Nations to “establish an international human rights tribunal consisting of judges appointed by the United Nations”.

In the identical letters accompanying the transmission of the ICIET report to the Security Council, the Secretary-General recognised the determination of the Government of Indonesia to act against impunity and the national investigation process underway in Indonesia. This subsequently led to the establishment of the Indonesian Ad Hoc Tribunal for Human Rights with regard to human rights violations in East Timor. The Secretary-General also indicated that, *inter alia*, the UNTAET transitional administration would be strengthened to conduct investigation “[w]ith a view to bringing justice to the people of East Timor”.\(^4\) Accordingly, the Special Panels for Serious Crimes and the Serious Crimes Investigation Unit were established in Timor-Leste under UNTAET Regulation. In this arrangement, the United Nations had envisaged the extradition of suspects between both jurisdictions as agreed in an MOU from April 2000 signed by the UN transitional administrator, the late Sergio Vieira de Mello and the former Attorney-General of Indonesia. The agreement was never ratified by the Indonesian Parliament which has unfortunately resulted in no suspects being extradited between the two countries.


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The relevant entities that were involved in the serious crimes process in Timor included the Special Panels for Serious Crimes (court), the Serious Crimes Unit (prosecution) and the Defense Lawyers Unit (defense).

The Special Panels were established in the early phase of peacekeeping in Timor Leste under the UNTAET transitional authority. The UNTAET Regulations borrowed heavily from the Rome Statue of the International Criminal Court with jurisdiction over war-crimes, crimes against humanity and international violations of humanitarian law. The Special Panels have often been described as “hybrid” as in the regulations, each Special Panel was comprised of two international judges and one East Timorese judge. The establishment of Special Panels for Serious Crimes in Timor-Leste represented an important process in Timor-Leste as much in delivering formal justice as in support of the institution-building of the national justice sector in Timor-Leste. Many observers consider those convicted as the “small fish”. However, at the national level and particularly in the victim communities these convictions are significant and represent formal justice being carried out with the convictions of some East Timorese members of the Indonesian military and many East Timorese district and sub-district militia commanders as well as one Indonesian militia company commander.

The Serious Crimes Unit was established in 2000, however, did not open until September 2002, and began effectively functioning only in April 2003. The Unit’s responsibility included investigation and prosecution of serious crimes committed in 1999 as well as the preparation and filing of indictments with the Special Panels. The SCU was located within the Office of the Prosecutor-General of Timor-Leste, headed by a Deputy Prosecutor-General for Serious Crimes.

The Defense Lawyers Unit, in turn, provided legal representation for virtually every defendant who came before the Court, given their often very limited financial means. The Unit slowly evolved into a full-fledged entity and eventually created a balance between the prosecution and the defense side.

In 2004, the Security Council in its Resolution 1543 ordered the SCU to stop all investigations in November 2004 and directed the Special Panels to complete all trials by 20 May 2005. During its tenure, the SCU has filed 95 indictments charging 391 persons with serious crimes. As some accused appear in more than one indictment, the total number of defendants amounts to 440. Following the indictments, the Special Panels called before the court 101 defendants, 13 of which had their cases withdrawn or dismissed and 1 was found mentally incompetent. Thus, 87 defendants, mostly Timorese members of the local militia, were brought to justice with 84 being convicted and 3 acquitted. Doing the math, this means that 339 defendants have not come before the court, presumably because they are outside the country. As Timorese law does not permit trials in absentia, and in the absence of an extradition treaty with Indonesia, where the overwhelming majority of defendants resides, no prosecutions can proceed in these cases. It is widely accepted that approximately 1400 persons were killed in the 1999 violence. Yet the 95 indictments that have been filed only account for 579 of those murders. This
means that over 800 killings remain to be accounted for by way of indictment. In addition, the Special Panels have issued 284 arrest warrants, including for General Wiranto. Most of the warrants are still in the hands of the Prosecutor-General of Timor-Leste who has not yet forwarded them to Interpol.

In accordance with paragraph 9 of Security Council resolution 1599 (2005), UNOTIL has made a complete copy of all records compiled by the Serious Crimes Unit, including forensic photographs. As previously reported (S/2005/533, para. 13), the Unit’s records, including the copies made by UNOTIL, are currently maintained under the authority of the Prosecutor General of Timor-Leste. However, an agreement has been reached with the Government of Timor-Leste on the preservation and management of the serious crimes records, including the conditions under which copies of the records would be held by the United Nations and the circumstances in which the Organization would grant access to them. Once the agreement is signed, the original records will be formally handed over to the Prosecutor General, while the complete duplicate copy of the records is being prepared for shipment to UN Headquarter in New York for preservation.

National Reconciliation

During the early phase of peacekeeping in Timor-Leste, UNTAET, the East Timorese leaders, human rights activists and civil society recognised that a truth commission could serve as an important mechanism in the transition from conflict to stability. Many have argued that formal justice for all minor and serious crimes without reconciliation initiatives would have resulted in a huge functional and financial burden on an embryonic justice system but, more significantly, would have not confronted the need to reconcile divisions in very localised communities which would have had the potential for instability and further conflict especially in the border regions with Indonesian West Timor.

Pursuant to this expressed desire that there be a parallel truth and reconciliation process, UNTAET established the Commission for Reception, Truth and Reconciliation in 2002 (commonly known by the acronym CAVR from its Portuguese name: Comissão de Acolhimento, Verdade e Reconciliação de Timor-Leste). The CAVR concept grew from a workshop of East Timorese human rights activists in mid-2000, supported by the UNTAET Human Rights Unit, and subsequently endorsed by the CNRT Congress. The mandate of the CAVR encompassed three main aspects: (1) establishing the truth with regard to human rights violations that occurred in Timor-Leste between 1974 and 1999; (2) facilitating reconciliation between perpetrators of “less serious” crimes and their victims and the community; and (3) preparing a final report containing findings and recommendations for the prevention of similar human rights abuses in the future.

As part of its truth-seeking mandate, the CAVR received approximately 7,800 statements, many concerning crimes against humanity and other serious violations of human rights during the period 1974 to 1999. These statements formed the basis for the grassroots information and truth seeking process of the CAVR, informing its final report.
With respect to the second function, the Community Reconciliation process with its mix of traditional social structures and the legitimacy of the formal justice system is the first such process to have been implemented in any post-conflict situation with hearings completed involving more than 1,400 low-level militia perpetrators from across Timor-Leste. The programme was designed to complement the Serious Crimes process by providing at least a partial solution for the widespread less serious crimes such as beatings, house-burning and looting in recognition that the problem of impunity for such lesser crimes is a potential major threat to stability at a grass roots level. The process deals with lesser crimes through local traditional conflict resolution mechanisms as legitimised through the national formal justice sector. Through the mechanism of restorative justice at the community level, the acceptance of apologies and possible punishment such as symbolic payment or community service provide a form of justice while repairing the fabric of society. Moreover, the high level of community involvement in the process with the participation of victims, perpetrators and communities has ensured the restoration of dignity of victims, facilitated the reintegration of former low-level militia in their own communities and assisted the reparation of community relationships.

The programme of localised and national truth-telling and the community reconciliation across the districts has significantly supported the maintenance and the building of peace at the grass-roots level in district communities. The work of the Commission has demonstrated that its gains have made important contributions to the eradication of the culture of impunity while facilitating the societal healing necessary for sustainable and durable peace. While there have been achievements, it is recognised that truth and reconciliation commissions can only achieve reconciliation at a local level if there is accountability for those responsible for the most egregious crimes through other appropriate mechanisms. In view of future post-conflict peacekeeping and nation-building efforts, the community reconciliation model as developed in Timor-Leste based on restorative justice through traditional structures may provide a new direction in the design of truth and reconciliation commissions in post-conflict situations.

CAVR took a victim-centred approach to all its work, and this process was most noticeable in its national and sub-distric public hearings, and in its intensive healing workshops. This care for victims, and efforts to publicly restore their dignity and place in society was a key element to the transitional justice process of the CAVR.

After close to five years of operation, CAVR submitted to President Gusmão on 31 October 2005 its final report providing a record of human rights abuses in Timor-Leste from 1974 to 1999. The President presented the report to the National Parliament on 28 November and Prime Minister Alkatiri on 30 November 2005. President Gusmão intends to present this report to me in January 2006 for its further dissemination. The report constitutes an important milestone in search for truth and reconciliation in Timor-Leste, despite some differences of opinions regarding its recommendations.

Where do we stand at the conclusion of the Serious Crimes Process and ending of the CAVR mandate in Timor-Leste? Let me review some of the achievements made as
well as challenges encountered during the past 5 years and address the intricacies of this complementary process.

**The Achievements and Challenges of the Complementary Process**

To begin with, the investigative work of the SCU, the resulting indictments, and the numerous trials conducted before the Special Panels, have made a significant contribution to establishing the facts and creating a historical record concerning the events of 1999. If it is important to acknowledge the victims of 1999, it is equally important to name the names of those responsible for serious crimes. The serious crimes process has brought justice to the victims by having charged and tried those perpetrators for their crimes. Similarly, reconciliation efforts greatly contributed to the reparation of the social fabric by addressing minor crimes conducted between 1974 and 1999 through its mechanism of restorative justice at the community level.

Secondly, given the hybrid structure of the Panels, the process was impartial and applied international standards of due process. The holistic approach of transitional justice adopted in Timor-Leste has proceeded on the premise of delivering justice and promoting reconciliation. The delivery of formal justice for the serious crimes of 1999 ensured national and local stability while concurrently establishing and promoting the formal justice sector, judicial mechanisms and the rule of law, which remains crucial to peace and nation-building. The local reconciliation initiatives complement the formal prosecution of serious crimes thereby further engendering respect for rule of law within society while the truth-seeking programme supports the broader local and national reconciliation process. However, the international community, in its desire to do justice quickly and inexpensively, established a legal structure which, at critical junctures, lacked adequate staff, funds and logistical support. These shortcomings often led to “too little too late”. Moreover, it has been criticized that the serious crimes process suffered from a lack of prosecutorial strategy by failing to clearly define the mandate and scope of the process, particularly through indication of level and nature of crimes to be investigated and rank or position of persons to be prosecuted. A clearer mandate would have provided guidance as to what our expectations should be and hence, define the actual rate of success or failure of the process.

Furthermore, national reconciliation and restoration of peace has been promoted by bringing closure to cases from the past, discouraging private retribution and confirming the importance of the rule of law. In the context of Timor-Leste, national reconciliation would arguably have not been possible without the assurance of formal justice for the most serious crimes and may have resulted in localised retribution. Any approach towards international reconciliation between Timor-Leste and Indonesia, without justice for the perpetrators of the most serious crimes can be seen as pragmatic in terms of bilateral political relations and indeed may be effective in building a cooperative relationship between the two states. It may, however, also create internal instability, since justice is high on the agenda for many East Timorese. Moreover, it is important to demonstrate the need to respect the rule of law and legal institutions in the national context as a deterrent to avoid the return to violence and subjugation by force which has
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such potential in post-conflict societies. The fight against impunity, that is the acceptance of legal mechanisms as means of protection and a way to bring about justice, constitutes a vital part of building and consolidating peace and stability. It will be recognised that demands for such justice also emanate from many sections in Indonesia, as that country successfully continues its transformation into a vibrant and modern democracy.

Lastly, the serious crimes process sent a powerful message and will hopefully deter those who could commit serious crimes in the future. In ensuring keeping peace and nation-building in Timor-Leste, the transitional justice approach to conflict resolution has been much developed in Timor-Leste but not without difficulties. As United Nations peace-building support to Timor-Leste will come to a closure with the phasing out of UNOTIL in May 2006, it is important to carefully consider and address how the complementary approach of justice and reconciliation as adopted in the context of Timor-Leste will support future nation-building. There remain practical challenges in the implementation of the complementary processes of justice and reconciliation.

In spite of the systemic limitations, a great deal has been achieved in Timor-Leste in delivering retributive and restorative justice as well as promoting reconciliation. However, it is not possible to claim that there has been total formal justice delivered for crimes committed in 1999. After all, only a limited number of perpetrators have been convicted in Timor-Leste and a very small number of convictions secured at the trials in Jakarta. There clearly remains a justice deficit. It would also be far-fetched to claim that there is full reconciliation among the East Timorese people or between Timor-Leste and Indonesia. The process of reconciliation as societal healing has not only begun but has developed through the coordinated mechanism of CAVR in addition to more ad hoc initiatives of the Office of the President, the National Government, the Church, national civil society and local communities in Timor-Leste. Nevertheless, as in all post-conflict situations, the road to reconciliation and the healing of society remains long and may take generations. What is significant is that the process has commenced widely across the local communities in Timor-Leste but, as importantly, between political leaders at the national level in Timor-Leste and, crucially, between political leaders in Timor-Leste and Indonesia.

The Future of the Justice, Truth and Reconciliation Process

At this critical juncture, the future of the complementary processes remains unclear due to diverse interests and different opinions of multiple stakeholders in addition to the potential for change in the political environment. What is clear is that the intertwined journeys of justice, truth and reconciliation will confront challenges and obstacles at all levels, especially in addressing the widespread demands for justice in Timor-Leste, emanating mainly from representatives of civil society, victims and district communities.

A statement made by the Bishops of Dili and Baucau in April 2005 clearly reflects the challenges in accommodating these various interests: “International justice is now a crucial last resort to bring justice to the victims, particularly as both the Timorese
and Indonesian Governments have agreed on a Truth and Friendship Commission that will not submit to a process for genuine justice and real accountability”.

Which is the right way forward? The future of the formal judicial process is very much dependent on the political will of the East Timorese leadership and also on the support of member-states of the United Nations in the event a decision is taken to continue the process in some form, with UN funding or under the auspices of the UN. Two decisive processes – a Commission of Expert and a Commission of Truth and Friendship - have been initiated in 2005, which I will briefly explore before concluding this chapter.

**Commission of Experts (CoE)**

In February 2005, the Secretary-General appointed a Commission of Experts, consisting of three members, who were requested to report to the Secretary-General within three months on the developments in the area of prosecution of serious violations of international humanitarian law and human rights in East Timor committed in 1999.

The mandate of the Commission of Experts was six-fold, namely to (1) review the judicial processes of the work of the Indonesian Ad Hoc Human Rights Court on East Timor in Jakarta, and the SCU and Special Panels for Serious Crimes in Dili; (2) assess their effective functioning; (3) identify obstacles and difficulties encountered by the two entities; (4) evaluate the extent to which the two institutions have been able to achieve justice and accountability for the crimes committed in East Timor; (5) consider and recommend legally sound and practically feasible measures so that those responsible are held accountable, justice is secured for the victims and people of Timor-Leste, and reconciliation is promoted; and (6) consider ways in which its analysis could be of assistance to the Commission of Truth and Friendship that the Governments of Indonesia and Timor-Leste have agreed to establish, and to make appropriate recommendations to the Secretary-General in this regard.

Following its visits to Timor-Leste and Indonesia in May, the Commission submitted its report to the Office of the United Nations High Commissioner for Human Rights. The Secretary-General submitted it to the Security Council in June for consideration by the Council members. The three experts analyzed the two judicial processes in Jakarta and Dili and submitted a set of recommendations, the most pertinent of which are:

- The Serious Crimes Process carried out in Timor-Leste was considered as credible, and accountable to “a notable degree” but as “having not yet achieved full accountability for those who bear greatest responsibility for serious violations”. The Commission recommended a continuation of the serious crimes process until it can complete all of the remaining cases which numbered more than 500 out of nearly 1,500 civilians killed in 1999. The Commission, however, also raised concerns about the lack of political will in Timor-Leste and the independence of the Prosecutor-General.
• The Ad Hoc Human Rights Court for Timor-Leste in Indonesia was considered “manifestly inadequate” and not in conformity with international standards. From the list of 22 suspects, 18 were indicted, 17 of which have been acquitted. The CoE recommended the re-opening of all cases and suggested SCU evidence and files to be delivered to the Indonesian Attorney-General so as to accept international assistance to build judicial and prosecutorial capacity. Indonesia has been requested to report to the Secretary-General after six months on the implementation of the Commission’s recommendations.

• The CoE also commented on the Commission on Truth and Friendship, expressing its grave reservations about some of the provisions in the terms of reference (ToR), though recognizing that the CTF could contribute to rebuilding relations between Indonesia and Timor-Leste. The experts recommended that the International Community should not provide finance or advisory assistance until the two Governments review the ToR and the Secretary-General is satisfied that the ToR meets international standards.

• The Commission concluded its report by proposing that if the Governments Indonesia and Timor-Leste do not initiate the recommended actions as it had suggested within the given timeframe, then the Security Council was recommended to adopt a resolution under Chapter VII to establish an ad hoc international criminal tribunal for Timor-Leste, to be located in a third State. Alternatively, the International Criminal Court could be charged to investigate and prosecute the serious crimes committed in Timor-Leste in 1999. Furthermore, member states may exercise universal jurisdiction and initiate investigations and prosecution of those responsible for serious crimes.

The CoE report and its recommendation met with immediate rejection by both Governments of Indonesia and Timor-Leste, while they received strong support from international and national non-governmental organizations. In the light of the current political context, Timorese political leaders have raised questions about the effectiveness of such an international judicial model as an international tribunal and how appropriate it would be to exert political pressure or potentially sanctions against Indonesia as the country remains in a fragile state of democracy. The President and the Foreign Minister of Timor-Leste are also concerned about the impact of the approach advocated by CoE on the progress made in bilateral relations and international reconciliation between Timor-Leste and Indonesia. The improvement in bilateral relations has been manifested by enhanced cooperation, regular meetings of the Joint Ministerial Commission for Bilateral Cooperation and, most prominently, by the state visit of President Susilo Bambang Yudhoyono in early April 2005.

Timor-Leste and Indonesia have both expressed their disappointment towards the report of the Commission of Expert, sharing the opinion that the CoE report does not promote the process of reconciliation, which the political leadership in both countries is
committed to pursue, notably through the recently established Commission of Truth and Friendship.

The bilateral Commission for Truth and Friendship established by Timor-Leste and Indonesia commenced its work in August. Its work has focused primarily on analysis of documents provided by the Ad Hoc Human Rights Tribunal in Jakarta. The Commission has also submitted a request to the Government of Timor-Leste to review the records compiled by the Serious Crimes Unit in Dili. Meanwhile, pursuant to a letter from the President of the Security Council dated 12 September 2005 (see S/2005/613), work is under way on a report on justice and reconciliation for Timor-Leste with a practically feasible approach, taking into account the report of the Commission of Experts, as well as the views expressed by Indonesia and Timor-Leste, in consultation with me.

Commission of Truth and Friendship (CTF)

In December 2004, the leaders of Indonesia and Timor-Leste decided to establish a Commission of Truth and Friendship (CTF), fully owned and operated by the two countries. Subsequently, the two governments signed the mutually agreed terms of reference in March 2005, expressing their commitment to resolve residual problems of the past and to deepen and expand bilateral relations both at the government and societal levels. They ascertained that prosecutorial processes can certainly punish the perpetrators but may not necessarily lead to the truth and promotion of reconciliation. Indonesia and Timor-Leste opted to seek truth and promote friendship as a new and unique approach. And indeed, for the first time, a truth-seeking mechanism has been established at the bilateral, rather than the purely national level.

The mandate of the CTF, extending over a period of initially one year, very much reflects the forward-looking and reconciliatory approach taken by Indonesia and Timor-Leste. Ten Commissioners, five Indonesians and five Timorese, have been appointed to (1) reveal the factual truth of the nature, causes, and the extent of reported violations of human rights, that occurred in 1999; (2) issue a report establishing the shared historical record of the reported human rights violations; and (3) devise ways and means as well as recommend appropriate measures to heal the wounds of the past, and to restore human dignity, *inter alia* by recommending amnesty, rehabilitation measures, means to promote reconciliation and innovative approaches to enhance intra- and inter-communal cooperation.

In spite of the enthusiasm demonstrated by Timorese and Indonesian leaders, representatives from civil society, church leaders as well as the international community expressed their reservations about the proposed Commission. The main argument is that neither the serious crimes process in Timor-Leste nor the Ad Hoc Tribunal in Indonesia have brought to justice those responsible for serious crimes and that the CTF is not considered to be an option capable of achieving justice for the victims. Further criticism is targeted at the Terms of Reference of the CTF, pointing out the lack of distinction between lesser and serious crimes, amnesty provisions for crimes for which amnesty is
unacceptable in international law, questionable independence of the CTF, contradictions to human rights law and the inadequate provisions for reparations. Furthermore, the CTF will not lead to prosecution and emphasize institutional responsibilities, therefore, preventing individuals to be held accountable for their crimes.

A solution for these issues addressed above has yet to be found. The questions of how to deal with the remaining cases of crimes against humanity and continuing the process of national and international reconciliation while ensuring good cooperation between Timor Leste and Indonesia will most likely remain on the agenda for many years to come. Durable solutions to these complex issues to ensure sustainable peace for Timor-Leste will require careful dialogue and much consultation in order to reach mutually-beneficial positions, without allowing impunity and ignoring human rights violations as recognised in the United Nations Charter.

In Resolution 1599 member states reaffirmed the need for credible accountability for the serious human rights violations. UNOTIL will, therefore, seek to further assist the Timorese authorities to ensure the adequate archiving of all records compiled by the Serious Crimes Unit as well as in the implementation of the recommendations made by the Commission of Experts, including possible ways of assisting the Truth and Friendship Commission.

To conclude, the transitional justice approach of justice, truth and reconciliation, initiated in the post-conflict situation of Timor-Leste, has been an effective mechanism for peace-building and nation-building. In its peacekeeping mission as well as its agency work, the United Nations has worked along with other partners towards the goal of eradicating impunity and engendering respect for human rights through the complementary process of delivering justice, thereby upholding International Human Rights and Humanitarian Law while recognising the importance of providing support to a concrete reconciliation programme. With the imminent closure of the United Nations peacekeeping and peace-building operations in Timor-Leste, stakeholders continue to face diverse challenges and difficult decisions in the delivery of justice and promotion of reconciliation. Albeit valuable achievements the road of justice and reconciliation remains a long and difficult one for Timor-Leste and indeed for the international community.

IV. Transition from UN peace operation in Timor-Leste to a sustainable development assistance framework and plan

Now, I would like to briefly mention the current transition status of the UNOTIL to a sustainable development assistance framework plan. As the resolution 1599 encourages in its paragraph 6 smooth and rapid transition to sustainable development framework, UNOTIL has been developing a strategy for smooth and rapid transition to sustainable development framework in consultation with UN agencies, development partners and other stakeholders. The main avenues will be either through multilateral support or bilateral support.
Specifically, UNOTIL was able to identify the strategy for hand-over with regard to most of the current functions, which would need to continue beyond the completion of the mandate of UNOTIL as below.

Firstly, with regard to the support to the institution building of critical state institutions, 5 out of 45 civilian advisers will be drawn down by the end of the mandate of UNOTIL. 40 UNOTIL civilian advisory positions would require international support in the post-UNOTIL period. A number of bilateral and multilateral partners have been identified to take over most of these functions. UNDP agreed to take over all 17 positions in the justice sector, three in the National Parliament and one in the Office of the President in UNDP's respective support projects and multi-donor programmes. Australia, the World Bank and other donors are committed to support the Ministry of Planning and Finance. The International Monetary Fund has agreed to provide an adviser for the Director of the Treasury. Among the bilateral development partners, Australia has indicated its intention to assist in strengthening the Office of the Prosecutor-General. Brazil, Portugal, Australia and others have expressed their readiness to support the development of the justice sector with funds and advisers through the UNDP programme; the US and Japan have indicated their support for two positions in the Office of the Inspector-General related to transparency and accountability; and Japan has indicated its intention to support a position in the areas of small and medium industries development and civil aviation, respectively. In addition, New Zealand have shown interest in providing one human rights adviser to the Office of the Prime Minister, while Cape Verde has offered to make available six legal advisers to different State institutions.

Secondly, UNOTIL has been put emphasis on the further development of the national police (PNTL). Whereas UNPOL would complete most of the capacity building objectives within the given timeframe of the mandate, continued bilateral support for the eight specialized units and the Immigration Unit was under negotiations. With respect to the PNTL Public Information Unit, UNESCO had expressed willingness to continue its support. Two areas, however, would require longer term bi- and multilateral support, including assistance to the Minister of Interior, and the further development of logistical and management skills of the Border Patrol Unit.

Thirdly, in light of the training in the Observance of Democratic Governance and Human Rights, functions that required post-UNOTIL support included the Office of the Provedor, the Office of the Adviser on Human Rights to the Prime Minister, Ministry of Education and Ministry of Interior, and the National Parliament. Such support was mainly to be ensured through the take-over of National Professional Officers by respective State institutions. Additional activities to be continued were support to the capacity building and networking of civil society organizations and monitoring and reporting functions.

Fourthly, three additional substantive areas would require post-UNOTIL attention: (1) Political affairs, including the monitoring of the political and security situation in the period leading up to the 2007 elections, electoral assistance and political
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advice and assistance for the strengthening of key State institutions and democratic processes; (2) Legal affairs, including the maintenance of the on-line repertoire of RDTL legislation, finalization of the Tetum legal dictionary, indexing of G-RDTL - UN agreements, archiving of documentation, and the handover of legal library books; and (3) Public information, including the continuation of the daily media review and regular press releases for continued public awareness and correct information dissemination on UN system activities. These functions were to either be taken over by the Government, by bilateral partners or to be subsumed under the Resident Coordinator Unit.

Lastly, the Resident Coordinator Unit was to be restructured in order to meet the post-UNOTIL requirements. Possible elements to be added include human rights, political affairs, legal affairs, public information, as well as operational aspects such as, security and medical services.

The above efforts have been developed in consultation and coordination with development partners and other multilateral partners, such as UN agencies, yet subject to funding availability.

A major challenge facing Timor-Leste in the near future will be the forthcoming presidential and parliamentary elections in 2007. Both elections will be held for the first time since the country assumed independence in 2002. The prevailing opinion among the Timorese stakeholders suggests that in order to ensure that these elections are free and fair, a further international political presence should remain in the country until the end of the electoral process.

V. Conclusion

Today, I firstly mentioned how the nature of the UN involvement in peacekeeping and peacebuilding operations has been rapidly changing. The international community has been facing new challenges, which were not anticipated at the time of the foundation of the United Nations. The nature and composition of threats to peace have also become complex and inter-connected. It is said that about half of all countries that emerge from war lapse back into violence within five years as they are in effect abandoned by the international community. Under this situation, the international community has an increasing role to support to ensure for post-conflict countries to successfully complete the transition from war to peace and to fulfil the imperatives for nation-building until they have reached a phase when they can move forward with only development assistance. It is with this understanding that the General Assembly and the Security Council have agreed on the establishment of a Peacebuilding Commission based on the World Summit decision last September.

Secondly, through highlighting lessons learned from the peacekeeping and peacebuilding missions in Timor-Leste from UNAMET in 1999, UNTAET from October 1999 to May 2002, UNMISET from May 2002 to May 2005 and UNOTIL from May 2005 to May 2006, I described the six key factors that international community needs to
support to ensure lasting peace of post conflict countries; the international community is first to assist in creating an environment for maintenance of peace and security for the people of the country, secondly to establish a national government capable of delivering essential public services, and thirdly to lay the foundation for democratic governance. Fourthly, it is also necessary to establish transparency and accountability in public administration and fifthly to achieve poverty reduction and economic growth. Furthermore, if nation building is carried out in a post-conflict country, the international community has a role to play in bringing about justice, truth and reconciliation among former foes and antagonists.

Lastly, I provided an overview of the current status of transition of the UNOTIL to a sustainable development assistance framework plan.

An increasing number of operations are multifunctional in nature with mandates ranging from immediate stabilisation and protection of civilians to supporting humanitarian assistance, organising elections, assisting the development of new political structures, engaging in security sector reform, disarming, demobilising and reintegrating former combatants and laying the foundations for a lasting peace. While carrying out its mandate, the UN has increasingly involved a number of actors, including other international and regional organisations, development partners, host governments and civil society. Mission design and structure is increasingly expected to ensure a smooth transition from the peacekeeping to the recovery and development phase, and guarantee a long-term commitment as prerequisites for sustainable peace. I hope that the above mentioned lessons learned from the peacekeeping and peacebuilding missions in Timor-Leste could provide you with valuable insights to enable successful future peace missions and operation to come.
VI. BIBLIOGRAPHY


