

# **FINAL EVALUATION: THE OTI PROGRAM IN EAST TIMOR**

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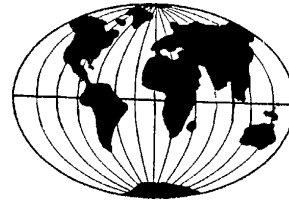
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## LIST OF ACRONYMS

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AusAid	Australian Agency for International Development
BELE	Building Empowerment, Leadership and Engagement
BHR	Bureau of Humanitarian Response
CDIE	Center for Development Information and Evaluation
CEP	Community Empowerment and Local Governance Project
CFET	Consolidated Fund for East Timor (transitional)
CNRT	National Council of Timorese Resistance
DAI	Development Alternatives Incorporated
ETPA	East Timor Public Administration
ETTA	East Timor Transitional Administration
FALINTIL	Forças Armadas de Libertação Nacional de Timor Leste ( East Timor National Liberation Army)
FRAP	FALINTIL Reinsertion Assistance Program
FRETELIN	Frente Revolucionaria de Timor Leste Independente (Revolutionary Front of Independent East Timor)
GET	Government of East Timor
GPA	Governance and Public Administration
INTERFET	International Force in East Timor
IOM	International Organization for Migration
NCBA	National Coffee Business Association
NGO	Non Governmental Organization
OFDA	Office of Foreign Disaster Assistance
OTI	USAID Office of Transition Initiatives
RDTL	República Democrática de Timor Leste (Democratic Republic of East Timor)
SWIFT	Support Which Implements Fast Transition
TEP	Transitional Employment Program
TEPS II	Transitional Engagement for Population Support
TFET	Trust Fund for East Timor (IBRD,ADB)
TLJA	Timor Lorosae Journalists Association
UNESCO	United Nations Education, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNTAET	United Nations Transitional Administration in East Timor
UNMISSET	United Nations Mission in Support of East Timor
USAID	United States Agency for International Development

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## EXECUTIVE SUMMARY

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The report which follows constitutes the final evaluation of the three year Office of Transition Initiatives operation in East Timor. It stems from an independent examination and analysis of OTI's program in that country, as it emerged from the violence of September 1999 and faced the multiple challenges inherent in constructing a new government and in defining a new nation. The evaluation, conducted in October and November of 2002, was undertaken through *a big picture approach* meant to capture the entirety of OTI's experience in East Timor. The evaluators concentrated on two fundamental questions:

- ▶ Is there evidence that OTI's interventions had impact?
- ▶ Did the interventions deliver on the stated objectives?

The evaluation team closely examined the primary components of OTI programming in East Timor. Of primary interest were various projects meant to promote economic recovery and to strengthen the democratic development of East Timor, which were the fundamental objectives pursued by OTI. For the democratic development aspect, the evaluation team focused on efforts to:

- ▶ Increase the public's access to information pertinent to the establishment of government;
- ▶ Strengthen the political institutions;
- ▶ Increase citizen participation in the governance of the country; and
- ▶ Solidify the rule of law and strengthen the justice sector.

The report offers an analysis specific to the economic recovery and strengthened democratic development objectives pursued by OTI in East Timor. It also provides analyses of several program areas of particular interest: the media; NGOs; OTI's interaction with the United Nations, with other donors, and with the nascent Government of East Timor; the reintegration of former freedom fighters into civil society and the overall question of the civilian/military relationship in a democracy. The management of the program was examined as well.

The evaluation team reached a series of conclusions regarding specific programmatic interventions and the overall OTI presence in East Timor. The more general conclusions are:

- ▶ The legacy of OTI in East Timor is an extremely positive one. There is considerable evidence that OTI had significant impact and that the operation supported and promoted the larger foreign policy goals of the U. S. Government.
- ▶ The core objective of promoting a democratic evolution in East Timor was pursued with vigor and skill and resulted in a series of effective interventions.

- ▶ The economic recovery activities sponsored by OTI were less consistent in achieving their intended impact. The initial TEP program offered considerable positive political and some economic impact, while its two successor programs were less successful. OTI interventions to shore up the technical capacities of the incoming government in the economic arena—largely centering on Timor Sea issues—are likely to demonstrate more long-lasting effect than exhibited by more high profile programs.
- ▶ OTI achieved measurable impact through its efforts to strengthen the NGO and media sectors in East Timor. In both cases, however, it seems likely that more could have been realized, had greater care been exercised in the selection of entities to assist, and had there been earlier emphasis on capacity building and less on commodity transfers.
- ▶ The psychological and political impact of OTI programming, especially in the early days of the transition, should be acknowledged as making a substantial contribution to calming turbulent seas.
- ▶ The procurement mechanisms and small grant authorities exercised by OTI were key to its success. The flexibility of the grant mechanism and the quick disbursement of funds made OTI a highly effective player, when most other donors remained stymied and inactive.
- ▶ The comprehensiveness of OTI's approach was equally essential to its success. OTI took on multiple challenges and facilitated the engagement of other players, domestic and international, to address these challenges in an impressive manner—which delivered results across a broad front.
- ▶ The indicators of OTI impact in East Timor are numerous. OTI succeeded in earning USAID and the U.S. Government considerable credit in the eyes of the Government and of donor officials, as well as the general public.
- ▶ USAID was well-served by the personnel choices made by OTI and DAI in East Timor.
- ▶ The work of OTI in East Timor has enabled USAID to have continuing high impact in East Timor into the foreseeable future.

The report has tried to answer some of the questions that have surrounded the OTI program in East Timor: *i.e.*, did OTI stay too long?

Finally, the report offers selective *lessons learned* applicable to future OTI operations. Chief among them:

- ▶ The early phase of OTI's operations in East Timor sharply profiled its capabilities as an organization. OTI filled gaps, bought time, arguably averted an escalation of communal tensions, provided the means for the engagement of a host of players, bolstered fragile new structures. The attitude demonstrated by OTI representatives in East Timor was right on the mark and demonstrated that concrete steps could be taken to address the chaos and turmoil. Sending people to the field with the political savvy required to see and seize such opportunities is central to operations likely to see early impact.

- ▶ The flexibility and speed of OTI's response to unanticipated needs and problems in East Timor was considerably assisted through the contracting mechanism which allowed DAI's central engagement. The effective integration of OTI and DAI contract staff in East Timor contributed directly to establishing USAID as a major player, and to ensuring that funds and other resources were programmed efficiently. This model can be replicated anywhere.
- ▶ Caution has to be exercised to avoid both overestimating what can be done by just simply investing resources (or by investing resources quickly). Behind the scenes pressure to move too much money too quickly can undermine impact. Interventions undertaken outside a sound analytical framework are less likely to deliver on objectives.
- ▶ Likewise, care has to be exercised before large investments are made in spheres beyond the expertise and managerial capacity of the OTI staff. The NGO and media programs in East Timor arguably would have benefited from the earlier provision of technical assistance from international entities, while the TEPS II and BELE programs were weakened by the lack of OTI field presence to keep projects on track.
- ▶ OTI's already strong record of achievement in East Timor would most likely be even more impressive had its efforts and its grants focused on fewer organizations, and had there been greater emphasis on capacity building and less on commodity provision.
- ▶ The management of the OTI program worked well in East Timor, due more to the trust and mutual respect of a dedicated core of individuals who had long-standing investments in the situation, than to a coherent administrative structure. More explicit planning on how to support OTI staff in non-presence countries would be highly advisable.
- ▶ A recurrent trap encountered by OTI in East Timor was the assumption that various UN agencies were going to deliver on stated or implied commitments to the transitional process. Assumptions about UN agency effectiveness have to be tested on a situation-specific basis.
- ▶ OTI operated with significant advantages (i.e., contracting, procurement and grant-making mechanisms) which were not enjoyed by UN agencies, by other donors or even by other U.S. Government entities in East Timor. The prospects of generating resentment on the part of other key players were serious; but resentment was avoided. OTI staff in other locations would do well to display the attitude of cooperation and inclusiveness which was a hallmark of its presence in East Timor.

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# FINAL EVALUATION

## THE OTI PROGRAM IN EAST TIMOR

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### PART ONE: OTI IN EAST TIMOR

#### I. INTRODUCTION

##### COUNTRY BACKGROUND

Timor, meaning *Orient* in Malay, is the largest and easternmost of the Lesser Sunday islands in the Malay Archipelago. It is surrounded by the Pacific Ocean to the North, the Indian to the south. Australia lies 500 kilometers to the southeast, Java 1,000 kilometers to the west. The total area of Timor is some 32,350 square kilometers; it is 470 kilometers in length and 110 kilometers in width. East Timor itself occupies some 19,000 square kilometers of the eastern half of the island (plus the enclave of Oecussi-Ambeno and the small islands of Ataúro and Jaco).

The history of Timor prior to 1500 is not recorded, though there is evidence of Chinese and Javanese traders seeking the island's abundant sandalwood and beeswax as early as the 13<sup>th</sup> century. Portuguese traders arrived in 1509 and by 1556 Dominican friars had established the first settlement in Lifau, in Oecussi. Dutch and Portuguese rivalry over the island flared for several hundred years until the 1859 Treaty of Lisbon divided it in half. The boundaries established by that document mark today's border between East and West Timor, the latter an Indonesian province.

East Timor was a neglected outpost of Portugal's colonial empire, a sleepy trading center on the Macao-Timor-Goa axis. Until the early 20<sup>th</sup> century when they assumed more direct control, the Portuguese administered East Timor largely through agreements with local chiefs acting as their agents. European influence was considerable only in coastal areas, with a minimal Portuguese presence in the interior prior to the 1920s.

Timor's strategic location came into sharp focus at the onset of World War II, when it seemed certain the island would be the launching pad for a Japanese invasion of Australia. Assisted by literally thousands of East Timorese civilians, a handful of Australian soldiers waged a guerilla campaign against the invading Japanese and kept 20,000 soldiers from their intended conquest. Sixty thousand East Timorese lost their lives in the fight to stave off the Japanese army.

The military coup of 1974 in Portugal provided an opening for East Timorese factions that desired independence, but also provided an opportunity for Indonesia's designs on the territory. A dispute between the two largest Timorese political parties, Fretilin and the Timorese Democratic Union, ushered in the Indonesians. The military invasion commenced on December 7, 1975, and the Fretilin forces were quickly overcome. East Timor was officially annexed by Indonesia in July of 1976—an annexation that was not recognized by any government, except by Australia; this annexation was condemned by the United Nations Security Council.



The invasion and subsequent annexation of East Timor marked the beginning of a quarter century of brutal occupation by the Indonesian military. East Timorese were largely banned from administrative positions, discouraged from pursuing higher education, shut out from the more lucrative opportunities in the private sector—in effect, denied meaningful roles in their own country. The territory's economy sank, and East Timor became the poorest political entity in Asia. *Perhaps one quarter of the population perished during the Indonesian period from conflicts with the military or more prevalently from induced famine.*

The Indonesian occupation was countered by armed resistance led by Fretilin and by diplomatic efforts spearheaded by the Catholic bishop of East Timor, Carlos Belo, and by Fretilin spokesman José Ramos-Horta, both winners of the 1996 Nobel Peace Prize for their efforts. During the long struggle, the Indonesian army itself lost an estimated 20,000 soldiers. The Santa Cruz cemetery massacre of November 1991—a day of infamy when Indonesian army troops opened fire on unarmed protestors, killing several hundred individuals—briefly brought the atrocities of the Indonesian occupation to the attention of the outside world but the great powers, including the United States, remained largely detached from East Timor's plight.

## **CRISIS OF 1999**

It was the fall of the Soeharto dictatorship in Indonesia, not international pressure, which brought about East Timor's independence. Shortly after assuming office, Soeharto's successor, President B. J. Habibie, unveiled plans for a referendum to determine East Timor's status as an independent nation or as an autonomous province of Indonesia. Details of the referendum process are beyond the scope of this paper, however, an understanding of the critical error made by the Portuguese and by the UN negotiators in allowing the Indonesian army to assume responsibility for security during the Popular Consultation (as the referendum was known)—is essential.<sup>1</sup> It was the ultimate example of tasking the fox with guarding the henhouse.

The Popular Consultation was held on August 30 with little violence. When the results were announced on September 4, however, and it became known that virtually 80 percent of the electorate had voted for independence, the floodgates of retribution were opened. Pro-autonomy armed militia, directly supported by the Indonesia army, embarked on a bloody rampage—an orchestrated scorched earth exit from East Timor which was intended to punish the people for their temerity in rejecting Indonesian sovereignty.

Tens of thousands of people were rounded up, and routed from their homes. The militias explicitly drove thousands of East Timors across the border into West Timor. Foreign witnesses were intimidated into fleeing. Numerous towns and villages were burned to the ground. By most estimates, more than 70 percent of the buildings in the capital city of Dili were destroyed or badly damaged. A significant if undetermined number of individuals were killed. Fear of continued looting, rape and murder by marauding militia sent thousands of people across the border into makeshift refugee camps in West Timor, or into the country's mountainous interior.

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<sup>1</sup> See [Self-Determination in East Timor: The United Nations, the Ballot, and International Intervention](#) by Ian Martin for a detailed and informed discussion.

## AFTERMATH

The horrific violence of September 1999 left the infrastructure of East Timor decimated, and its population traumatized. When the international intervention forces arrived in Dili on September 20, 1999, they found not only a country lying in ruins, but a scattered and frightened population without resources or experience to organize a meaningful recovery effort. The initial challenge was to provide security from still potent militia, to expedite the evacuation of the last of the Indonesian military forces (accomplished November 1, 1999), and to provide basic humanitarian assistance. Included was a significant relief operation supported by USAID through the Office of U.S. Foreign Disaster Assistance (OFDA) and the Food for Peace program.

What was immediately apparent, however, was that if the newly emergent country of East Timor were to succeed, more than relief assistance was required. The daunting challenge was not simply one of physically recovering from the trauma of September

*“The lack of experience at decision-making and implementation surrounding public policy found in East Timor is unique in the world.”*

OTI representative

1999, but one of constructing a government and in fact a nation when neither had previously existed. There were few assets available. The infrastructure was destroyed; the economy was shutdown. Beyond a few members of the returning East Timorese diaspora, only a handful of individuals had experience remotely relevant to the task of nation building. Neither the Portuguese nor the Indonesian overlords had encouraged—indeed, allowed—significant indigenous participation in public policy formulation or in basic administrative governance. The United Nations, through the United Nations Transitional Administration in East Timor (UNTAET), was in every respect functioning as the *de facto* and *de jure* government of the country, and as the coordinating authority for donor input.<sup>2</sup>

A considerable and complex effort to support East Timor as it strived to right itself and approach the myriad components of defining itself as a nation was required of the international community. The mobilization of the donor community in response to the plight of East Timor was in fact immediate and massive.<sup>3</sup> During the nearly three year transitional period leading to East Timor’s formal independence, the United Nations and virtually all of the major donors, including the United States, were to play outsized roles in East Timorese affairs. Literally hundreds of millions of dollars and vast human resources were invested in the country. The coming of independence did not mark the conclusion of the international presence; instead, it seems certain that East Timor will remain largely dependent on external sponsors for the foreseeable future.

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<sup>2</sup> The role of the UN as the sovereign government of East Timor during the transition period was without precedent in history.

<sup>3</sup> It is at least plausible that guilt was an underlying if intangible facet of the international mobilization to meet the challenge of nation building in East Timor was guilt. The international community did virtually nothing to counter the Indonesian invasion in 1975, and clearly failed to erect adequate guarantees against a violent reaction to a pro-independence vote during the Popular Consultation of 1999. In any case, major players such as the United States determined that the vastly altered situation in East Timor required more vigorous and more imaginative interventions than had been previously considered.

## **EVALUATION OF OTI**

Despite East Timor's small economy and a population of 800,000, the United States Government immediately realized that it had numerous interests in East Timor due to its location and its potential of symbolizing a successful democratic transition. The engagement by the United States Government in this nation building effort was almost immediately centered in USAID's Office of Transition Initiatives. OTI became operational in East Timor in November of 1999, and remained engaged as the lead USG presence there through October 2002. This report constitutes the final evaluation of the overall OTI program in East Timor—an evaluation designed more to capture the key points of the totality of OTI's East Timor experience than to track specific outcomes of each programmatic component. During the three year period, OTI's approach underwent several changes in response to altered circumstances and opportunities and one aspect of the evaluation was to assess how well programmatic evolutions were managed.

The primary focus of the evaluation was to answer two basic questions related to the totality of OTI's three year presence in East Timor:

- ▶ Is there evidence that OTI's interventions in East Timor had impact?
- ▶ Did OTI's interventions deliver on stated objectives?

A number of related questions additionally shaped the evaluation team's approach. The case of East Timor is viewed with special interest as a model of USAID/OTI programming in a non-presence country and that topic was considered by the team. Likewise, the team attempted to reach conclusions on whether the OTI presence in East Timor promoted the overarching U.S. foreign policy priorities of promoting democratization and freedom of choice. A key question pursued was, in effect, can East Timor be seen as a foreign policy achievement, and, if so, did OTI contribute to that success?

OTI's senior staff was clear in communicating to the evaluation team their interest in "a big picture approach" that would provide clarity as to whether there was discernible impact from the interventions pursued. *What did OTI affect in East Timor?* was a question the team was tasked to answer. *Did we meet our objectives?* was another constant theme in communications from OTI managers to the evaluators. The team was encouraged to be qualitative more than quantitative in its approach.

Information was gathered and assessed by the evaluation team to gain a comprehensive understanding of the context in which the program was executed, the process by which decisions were made, the effectiveness of the program activities and the value of such activities. The evaluators looked at the relationships between OTI and its primary implementing contractor (DAI<sup>4</sup>), and between OTI and the USAID Mission in Jakarta.

The evaluation centered on the overall impact realized by OTI during its three year stint in East Timor. However, as the overall impact is largely the sum of the results of the various

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<sup>4</sup> DAI is Development Alternatives, Inc.

interventions pursued, the team closely examined the primary components of OTI programming in East Timor.

Of primary interest were various projects meant to promote the economic recovery and to strengthen the democratic development of East Timor which were the fundamental objectives pursued by OTI. In regards to democratic development, the evaluation team focused on efforts to:

- ▶ Increase the public's access to information pertinent to the establishment of a government;
- ▶ Strengthen political institutions;
- ▶ Increase citizen participation in the governance of the country; and
- ▶ Solidify the rule of law and strengthen the justice sector.

The report offers an analysis specific to the economic recovery and strengthened democratic development (and its four spheres of activity) objectives pursued by OTI in East Timor. It also provides analyses of several projects of particular interest.

Augmenting the findings of the evaluation team concerning OTI's success in meeting its objectives in East Timor, the report contains a sidebar which portrays the reality of living and working in the country during the harsh period following the violence of 1999. The evaluators believe that such a context is a necessary for understanding the team's conclusions on the impact and the quality of OTI operations.

***The United States and East Timor:*** *As the political stability of Indonesia began to wobble in the late 1990s and the crisis in East Timor erupted with the violence surrounding the Popular Consultation, the United States perceived a series of foreign policy interests in the latter not obvious earlier. Prime among them:*

- ▶ *The strategic importance of East Timor given its location on the oil supply routes to Japan;*
- ▶ *The specter of increasing terrorist activity in the region given the economic and political turmoil of Indonesia;*
- ▶ *The need to counter any lingering Indonesian designs on the territory and the potential for renewed conflict;*
- ▶ *The desire to deflect East Timor from dependence on an economy centering on the smuggling of narcotics and people or money-laundering—a major concern to the allied Australians; and*
- ▶ *The symbolic value of seeing a successful promotion of democracy and freedom of choice in the country despite its lack of preparation or foundation for such achievements.*

It is important to note that the team of evaluators were offered total cooperation and assistance by every representative of USAID, OTI and DAI encountered. The candor with which individuals responded during interviews is appreciated by the team members, and was invaluable in understanding the complexities of the OTI program in East Timor over the three year period.

## II. METHODOLOGY

To undertake the final evaluation of OTI's three year presence in East Timor, Development Associates, Inc., supported by the IPC Corporation, assembled a three-person team of independent evaluators with broad and diverse backgrounds in international development, emergency response, research and evaluation in transitional and post-conflict situations, political analysis, and information systems management. Its U.S.-based members participated in two days of consultations in Washington, D.C. at the outset of the evaluation, and an Indonesian-based researcher joined them in East Timor for three weeks of interviews and field research. Additional days were spent in analysis and the writing of this report. Team members had language facility in English, Bahasa Indonesia, and Portuguese; Tetum translation was arranged as needed.

Team leader Jeffrey Clark has worked for USAID's Office of Foreign Disaster Assistance, the House Select Committee on Hunger, the Carter Presidential Center and a variety of NGOs and international development entities in fifty countries in Africa, Asia, Europe and Latin America. He has served as team leader for various USAID program evaluations in Russia, Ukraine, Georgia, Moldova and Ethiopia, and has written numerous articles and contributed chapters to books on humanitarian assistance. Mr. Clark's analysis of the humanitarian crisis of 1992 in Somalia appeared in *Foreign Affairs*.

Ann von Briesen Lewis has designed, administered and evaluated development, educational exchange, and humanitarian assistance programs in Asia, Africa, South America and Europe. She visited East Timor in 1991 as Executive Director of the Fulbright Commission in Indonesia. As USAID/OFDA Representative in Rwanda, she managed a portfolio of \$30 million in grants for emergency humanitarian assistance. Recent assignments included the design of a legacy foundation for USAID/Cairo, and emergency preparedness planning in East Africa. In the spring of 2002 Ms. Lewis served as an election observer in East Timor for the Carter Center and was responsible for pre-independence political reporting.

Lia Juliani is an experienced development specialist with international credentials. As an independent consultant, she has been employed by a range of U.S. and international organizations, undertaking design, assessment, and evaluation assignments. Prior to working independently, she spent six years working for the UNDP as a national coordinator for the Global Environment Facility (GEF) Small Grants Program in Indonesia.

Team members came to the project without pre-existing views or opinions on the OTI operation in East Timor. While looking at all aspects of the program, the team sought a diversity of inputs and maintained independent access to information sources.

Information was gathered through various means which allowed the evaluators to develop a comprehensive understanding of the context in which the program was executed, the process by which decisions were made, the effectiveness of program activities, and the value of such activities within the context of U.S. Government foreign policy interests in East Timor. Included in the team's methodology were:

- ▶ *Key Informant Interviews in East Timor:* Illustrative but not exclusive of the array of individuals with relevant perspectives interviewed by team members were current or former officials representing USAID, OTI, DAI, the American Embassy, UN entities, the Government of East Timor, international and indigenous NGOs, the police force, the World Bank, donor governments, the media, and numerous OTI grantees.
- ▶ *Key Informant Interviews Beyond East Timor:* The team interviewed, by means of e-mail and telephone, various individuals who played key roles in East Timor during earlier phases of OTI operations.
- ▶ *Grantee Focus Groups:* The team assembled grantee focus groups to stimulate dialogue on collective impressions of the impact and importance of OTI programming in support of civil society.
- ▶ *Comprehensive Document Review:* Team members analyzed numerous internal USAID and OTI documents concerning the program in East Timor and reviewed and annotated relevant internal and external studies and evaluations.
- ▶ *Database Analysis:* The OTI East Timor databases were closely examined to determine utility, strengths and weaknesses and to obtain programmatic information on grantees.
- ▶ *Investigating Impact Beyond Dili:* The team devoted considerable energy to testing the validity of programmatic reach by conducting focused field trips that provided exposure to OTI interventions in seven districts beyond the capital city of Dili.

Annex A to this report provides a bibliography of internal USAID and OTI documents, reports and studies undertaken by other donors, government planning documents and internal and external evaluations. Annex B identifies the various individuals consulted in the course of the evaluation, while Annex C provides abstracts from previous evaluations which are of particular importance to tracking the OTI experience in East Timor and Annex D profiles the people of East Timor.

### **III. OVERVIEW OF OTI OPERATIONS IN EAST TIMOR**

This section of the evaluation provides an overview of the OTI operation in East Timor, including an examination of management structures and of OTI's handover of programmatic responsibilities to USAID's ANE Bureau. Also included are the general conclusions reached by the evaluation team on the program OTI implemented in the country over nearly a three year presence. Expanded conclusions are found later in the report, as OTI's success in meeting specific program objectives and its interaction with key actors (*i.e.*, OTI and NGOs) are analyzed.

#### **OVERVIEW**

OTI plunged into the chaos of East Timor at about the same time as the start of relief programs orchestrated by OFDA and Food for Peace. By November of 1999, the first OTI grants were approved; in December a small team had been established in Dili; and by February 2000, OTI opened USAID's representative office in East Timor. The initial focus of operations was on

shoring up critical sectors—NGOs, the media—and on sending signals that the situation, while volatile, was not hopeless. Thus, OTI launched the TEP program (described in detail below) and immediately succeeded both in creating several thousand desperately needed jobs and in putting money into circulation, and also in bestowing on the United Nations, equally sorely needed credibility.

By the summer of 2001, the OTI operations in East Timor were less emergency-focused and took on aspects of longer-term development programming. By the end of its presence in October of 2002, OTI had processed some 514 grants totaling over \$17 million. Those grants and related activities fell into a series of programmatic spheres discussed separately in later sections of this report. The primary areas of focus for OTI in East Timor were interventions meant to:

- ▶ Support the core objectives of economic recovery and a democratic evolution in the country;
- ▶ Strengthen East Timorese political institutions as a government was being crafted and a nation defined;
- ▶ Encourage citizen participation in their governance and bolster civil society; and
- ▶ Solidify the rule of law and the justice sector.

Specific areas of interest and activity meant to achieve those objectives included efforts to:

- ▶ Strengthen the NGO and media sectors;
- ▶ Cooperate with the UNTAET administrators of East Timor and with international donors to facilitate the new nation's transition to sustainable self-rule;
- ▶ Work directly with the nascent Government of East Timor to orient officials and bureaucratic structures to the demands of democratic governance and public policy formulation and implementation; and
- ▶ Facilitate the politically sensitive reintegration of Falintil resistance fighters into society and the related consideration of the overall civilian/military relationship in the new country's orientation.

**Living and Working in Dili:** *When I arrived in East Timor in December 1999, only heaps of rubble and ruined houses with gaping holes remained. The destruction was massive—covering perhaps 80 percent of Dili. Every day I observed more and more people on the streets, either sitting on the side of the main airport road or lining up at UNTAET offices to hear what could be next. During the night, the city was deserted with most people hiding in safe places. At this point, many of the East Timorese stayed in hiding up in the hills because they were still afraid for their safety. The population in Dili in December was probably no more than a tenth of what it would be by March or April.*

*There was one hotel in operation—the “container hotel” organized by some Australian entrepreneurs renting basic shipping containers as bedrooms. A single container was divided into two rooms. The inside of the containers sometimes reached 120 degrees Fahrenheit during the day. Other living facilities for the international community and INTERFET forces were destroyed schools or government buildings. Eventually, there was the Boat Hotel at the Dili harbor available for UN staff.*

*I lived in the container hotel—known as Timor Lodge—for about two weeks. Though food was available there, one had to be on time. If you missed serving time, you went hungry until the next serving—perhaps the next day. There was no restaurant or other eatery place available in Dili. The Boat Hotel for the UN, of course was different, though non-UN personnel faced difficulties in accessing its dining room. There were no shops to buy even the basics. The old Dili market was abandoned; there was not a single vendor. Only in the middle of February of 2000 did street vendors and fuel retailers suddenly mushroom and begin selling a variety of consumer goods on the city streets.*

*The Thrifty car rental office finally opened and I was able to rent a small vehicle. I also had about \$10,000 worth of rupiah (in cash) that I brought from Jakarta for distribution to local NGO grantees. During the day, I locked the cash in the car trunk and at the night time I used the money bag as a pillow in my container. I had to look for the local grantees throughout the city, make connections and disburse the money.*

*Getahun Reta, Former DAI Chief of Party, Dili*

## **A. MANAGEMENT STRUCTURES**

### **1. Overall Management of the OTI Program in East Timor**

#### **Background**

When in mid-October 1999 a political officer from the U.S. Embassy in Jakarta and an OFDA representative first came to Dili in the aftermath of the punitive violence of September, it was evident that there was little they could do of an immediate nature. There was no receiving capacity in the country; Dili was largely empty; communication was impossible; there were no facilities for lodging, eating or working; the burning and looting had not yet entirely ended.

The scene had altered only marginally when the skeleton OTI staff first arrived some two months later. Three years and tens of millions of dollars in program grants later, OTI wrapped up its operations in East Timor. This section of the report provides commentary on the internal management of the OTI program in East Timor, with specific focus on the utilization of procurement procedures and of record keeping and databanks. It also examines the unusual role assumed by OTI as the *de facto* U.S. Government presence in the country.



## OTI Management

OTI's role in East Timor was distinguished by the fact that there was no USAID Mission in the country throughout the three year period, nor was there initially a U.S. Embassy. While political officers—and even the American ambassador to the United Nations—visited Dili periodically—it was the OTI representative in East Timor who essentially served by default and for significant stretches of time, as the senior in-country representative of the United States Government for significant stretches of time. Such a role, if not unique, was highly unorthodox and added to OTI's management burden.

The effective partnership structured between OTI and DAI via an IQC (as discussed in the following section) for operations is at the heart of the management of the East Timor program. The OTI representatives in East Timor (two individuals hired successively by means of personal services contracts over the three year period) and the DAI staff members assigned to East Timor forged a united team that presented a seamless front to external actors. There was no distinction between OTI and DAI in their “coherent relationship,” according to a senior staff member.

*“The role OTI played as representative of the U.S. Government was not totally appropriate. But the problem was State Department inefficiency, not OTI. They handled the role extremely well.”*

Former State Department political officer

It was to a large degree OTI's skill—perhaps luck—in consistently fielding teams of individuals well equipped to deal with the hardships of living and working in East Timor—that made its operations there as effective as they were. Conditions were tough but determining what efforts would have impact in the midst of the chaos and confusion—was perhaps tougher. The OTI team was, however, comprised of individuals willing to take risks with grantees and to be proactive in getting things moving. This human factor, combined with the flexible procurement mechanisms (discussed below), was central to the three year presence.

The relationship between USAID/Jakarta and the OTI office in Dili remained cooperative and supportive throughout the operation. The senior Mission officer assigned to oversee East Timor operations expressed highly complimentary assessments of the performance of the OTI staff in Dili, saying, “OTI attracted people with the essential skills to make something like this work. There is a culture they represent. The attitude they brought is critical.” OTI representatives, in turn, underscored the support and confidence from the Jakarta Mission that characterized their relationship.

*“OTI team members were totally appropriate for East Timor. These independent types were just what was required. Career officers would not have been nearly as effective.”*

Former State Department political officer

The hiring of local staff by OTI in East Timor was done with apparent care. OTI was able to hire the more qualified local professionals. The professional capacity building aspect of working with OTI, in turn, has allowed former staff members to fill positions in the new government of the country, as well as with the UN and various international and indigenous NGOs.

It should be noted here that despite periodic minor friction evident between OTI representatives and their USAID colleagues, the managers of the OTI operations in East Timor apparently went to some lengths to portray their work as that of the U.S. Government and of USAID. Evaluators found that virtually all East Timorese individuals interviewed knew little of OTI, but instead consistently gave credit for various projects and interventions to USAID.

## **Analysis and Conclusions**

The evaluation team concluded that the management practices followed by OTI in East Timor contributed directly to the considerable good accomplished during its three year stint in the country. By selecting individuals prepared to endure the hardships of living under the harsh circumstances, and also prepared to craft high risk interventions, OTI was able to demonstrate early and consistent traction. Its emphasis on transparency and accountability proved useful in building the professionalism of local grantees. Its skillful and careful utilization of flexible procurement mechanisms allowed it to deliver products of immediate impact and effectiveness, in contrast to other less proactive donors. The substantial impact that OTI had in East Timor, in terms of promoting a democratic evolution and in regards to its more modest success in prompting an economic recovery—would not have been realized without the able management skills evident in its operations there.

An operation as complex as the OTI program in East Timor would not likely be free of managerial lapses—as this one was not. There were of course some staff representatives less skilled than others—in some cases resulting in termination of contracts. There is some feeling that OTI allowed commodity purchases to continue to be made in Australia and Indonesia beyond the point when materials were reappearing in local markets. At least some staff representatives believe that the OTI and DAI senior representatives should not have been co-located, in order to maintain more distinct roles and reduce redundancy. As discussed elsewhere in the report, there were occasions in the operation when there seemed to be a misplaced emphasis on obligating funds with insufficient evidence that serious impact was going to be achieved.

The evaluation team fell short of gaining total clarity on the functionality of lines of authority and communication between OTI/East Timor-OTI/Washington-USAID/Jakarta. It appeared that the lack of clarity was not limited to the team as one staff member in Dili commented that she actually never had a consistent idea as to whom she worked for month to month. There was some sense that because the operations were working whatever managerial arrangements had served in the beginning should therefore continued, by default—rather than making changes as a result of analysis and choice.

Managerial and programmatic shortcomings of the OTI operation in East Timor which were gleaned by the evaluation team are provided throughout this report. The fact that mistakes were made—or what retroactively appear to be mistakes retroactively—does not diminish the fundamental conclusion of the team, namely, that the high level of professionalism evident in the management of the program in East Timor contributed significantly to its record of achievement and accomplishment. *The caveat is that there is reason to believe that things worked due more to personalities than to coherent management structures.*

## 2. Procurement Procedures

### Background

Over a decade of operations, OTI has finessed several basic procurement mechanisms that offer the flexibility, speed and bureaucratic nimbleness required for it to deliver required programmatic inputs. The *indefinite quantity contract* (IQC) is the mechanism most vital in OTI's arsenal. In coordination with the USAID Office of Procurement, a specialized IQC was first piloted in Indonesia in 1999, in response to the rapid political transition roiling that country. Subsequently, the Support Which Implements Fast Transitions (SWIFT) IQC has been utilized by OTI and by AID Missions in settings such as the Philippines and Kosovo – in order to allow for quick, flexible response to chaotic and unpredictable situations. The SWIFT mechanism and its bureaucratic descendants were central to OTI's operations in East Timor.

### OTI Procurement Procedures in East Timor

The SWIFT framework allowed for OTI's engagement of an institutional contractor to provide technical and logistical support for the implementation of small grant programs to fund activities meant to promote stability during the country's transition period. OTI's ability to respond rapidly and efficiently to urgent needs in East Timor was considerably facilitated by a strong working partnership contracted with Development Alternatives, Inc. (DAI), a for-profit international development firm headquartered in Bethesda, Maryland. DAI's contract for services in East Timor was twice renewed (bureaucratically, the contractual agreements were under SWIFT, then the Program Support Initiative (PSI) IQCs). The final contract with DAI expires on November 30, 2003; the effort is being carried out by the newly established USAID office in East Timor in much the same manner as it was by OTI. That is, the USAID officials now working in East Timor have the same ability to quickly respond to both need and opportunity, through the rapid approval of a grant application and distribution of resources, as was enjoyed by OTI representatives during their three year stint in the country.

Through the East Timor small grants program, mostly goods and services rather than cash were provided as in-kind assistance to local organizations. Commodities provided frequently included construction materials, tools, office equipment, and motor bikes; grants also covered administrative salaries on a temporary basis. This approach ensured that financial control and responsibility rested with DAI, and facilitated support to small or new organizations that were not likely to meet the criteria for traditional USAID cash grants. NGOs in East Timor were, for example, not registered—there being no process in place to provide registration—but were able to be supported through the in-kind approach.

*“OTI's fast dispensing mechanism for grants was a godsend. Absolutely the best element of the operation.”*

Senior American diplomat

Under the SWIFT mechanism, DAI was obliged to maintain sufficient liquidity for equipment rentals and purchases during operations start-up periods and to ensure timely procurement and delivery of products and services which were approved for recipients' use in the implementation of projects. It was also DAI's responsibility to establish and staff field offices and to provide the administrative and technical assistance and logistical support required to manage the offices and small grant programs. Charged with carrying out all of these responsibilities in East Timor, DAI

thus arranged for and renovated OTI office space, procured the necessary equipment for office set-up, secured in-kind products and services, issued the actual grants, monitored the progress of funded activities and in general facilitated OTI's operations.

OTI, again supported by DAI staff members, provided *political transition grants*—initially selectively to individuals or groups presenting themselves at the office in Dili—after having learned of the availability of funding through word-of-mouth or through OTI's public announcements. Although this approach resulted in initial urban bias, the imbalance was quickly corrected by the partnering with the UNTAET district administrators and IOM district officials under the TEP, TEPS II and BELE initiatives. Utilizing these implementing partners brought broader national exposure and participation. Proposals for the political transition grants were often simple one-page grant outlines, edited by OTI/DAI representatives to assure enhanced clarity of intended activities.

While many East Timorese NGOs or other entities understandably sought cash grants, rather than in-kind assistance, OTI's position was reflected in its guidelines for grant applicants:

*The in-kind mechanism significantly reduces the amount of time between grant approval and delivery of resource because it eliminates the need for the grantee to undergo an institutional audit and it relieves the grantee of the burden of managing funds and completing complex procurement procedures.*

The streamlined procurement system utilized by OTI in East Timor required three quotes in a competitive process for obtaining services and commodities. Initially, equipment and construction materials had to be procured from outside the country, since most merchants had fled. Much of the initial equipment was procured in Darwin, Australia; eventually bulk materials for reconstruction projects were more frequently secured at lower costs through a second office established in Surabaya, Indonesia. As the procurement system came on line, literally thousands of items were ordered and delivered within impressive thirty-to-forty day turn-around periods. Once the items arrived in East Timor, a team of DAI logisticians supervised delivery to grantees in all thirteen districts. The accounting of the goods distributed was consistently thorough; OTI's database captured sufficiently detailed information on virtually all grants being implemented and can presently be tapped to review specifics on funded projects. The evaluation team was struck by the voluminous written record available on grants, regardless of nature or category.

Predictably, issues centering on the lack of spare parts and repair facilities arose, as did concerns for the quality and appropriateness of some of the equipment purchased. Also, in limited cases, OTI may have relied on off-shore suppliers beyond the time when local merchants were re-established and capable of providing at least some materials like tin sheeting. The problem is not limited to OTI or East Timor. A quote from a USAID/CDIE working paper underscores the problem:

*The issue of available spare parts and repair facilities illustrates the dilemma USAID faces when undertaking transition activities in a devastated environment requiring offshore procurement. Moving ahead quickly with equipment procurement for reconstruction activities is important for political and economic reasons, even though it*

*may carry some risk-such as maintenance problems until infrastructure capacity can be reestablished.*

OTI grants of up to \$100,000 were approved by staff in the East Timor office, then sent to USAID/Jakarta for signature and concurrence; larger grants were approved by OTI/Washington. There were no cases of non-concurrence on proposed grant awards.

An example of another procurement mechanism employed by OTI in East Timor is the cooperative agreement signed with the International Organization for Migration (IOM) to implement the Building Empowerment, Leadership and Engagement (BELE) program in seven districts not directly covered by OTI staff. During the initial four month phase of BELE (August-December 2001), grants were processed through the IOM's district officials. They were tapped to facilitate community development projects and to assist local NGOs in preparing grant applications, organizational background papers, budgets and project proposals. The IOM staff representatives maintained close contact and good working relationships with grants managers at OTI. The BELE program ended in February 2002.

### **Analysis and Conclusions**

It was obvious to the evaluators that it was OTI's mastery of procurement procedures that enabled it to play a critical role in East Timor's transition that in fact it did. OTI's operation there was by any fair measurement effective and intelligent; the impacts achieved through its interventions were substantial and impressive. If it hadn't been for OTI's ability to move goods, services and cash into critical sectors of East Timor society when it did, and as quickly as it did, these achievements would not have been possible. The ability to deliver resources with the rapidity and flexibility that OTI demonstrated in East Timor rested on the procurement mechanisms which were vital to its operation.

*"At the end of the day, OTI is only a funding mechanism and an attitude."*

OTI representative in East Timor

Nothing is perfect and an operation as complex and frenzied as was OTI's in East Timor is not an exception. Staff members suggest that the procurement process, due to its complexity, had needed greater scrutiny and supervision in the initial phases of the operation. Some of the grants awarded NGOs were of relatively dubious merit given the lack of a track record or coherent project concept shown by the recipients. In some cases, grant criteria were too loose even given the need to accept risk. But the overall record is strongly positive. OTI processed over 500 grants in East Timor with "no serious cases of waste, fraud or abuse" in the words of a senior American diplomat.

One OTI staff member commented that financial mismanagement was not a significant problem faced in East Timor, noting that in such a small country any abuse of the small grants quickly come to the attention of colleagues and observers.

The evaluation team found no evidence to suggest that the OTI/DAI representatives in East Timor abused the flexibility and delegation of authority aspects of the IQCs that governed OTI/DAI's operations there. To the contrary, it was deliberate and skilled manner in which the IQCs were utilized that allowed such a high degree of success over the three year period.

*“The flexible funding mechanism is what made this all work. While perhaps the authority we had to tap that mechanism was pushed at times, it certainly was never abused.”*

OTI representative in East Timor

### **3. Record Keeping/Databanks**

#### **Background**

OTI staff members in Indonesia first designed the *Microsoft Access Database* as a means to track proposals and the processing of grants. The same database was then adapted for use in East Timor by OTI and was made accessible to OTI offices worldwide. Another database utilized by OTI in East Timor and designed by DAI is known as *Tamis* and is based on Lotus Notes. While the *Access* database tracks grant proposals to OTI to their end date, *Tamis* is used primarily for the tracking of administrative procedures—logistical and financial. Internally, the former is most often accessed by grant managers and by monitoring officers, while the latter is used by the grant administrator, and by logistics and finance staff members. Updating and the backing-up of data is done routinely, ensuring that staff in both Dili and Washington have concurrent access to up-to-date information.

#### **Analysis and Conclusions**

The evaluation team found the information gathering and storing systems employed by OTI in East Timor to be notably comprehensive, well-organized and flexible. Specifically, the evaluators noted that:

- ▶ The databases were comprehensive in that they contained most information required for analysis, yet they were flexible enough to allow additional information to be entered, as it became available or as circumstances altered.
- ▶ Users of the databases can be categorized into frequent users (*e.g.* monitoring and evaluation officers, grant managers), and incidental users (*e.g.* chief of party, program officers, consultants). Most OTI/DAI staff members in Dili used the databases for routine checks and reports.
- ▶ Most staff members used the databases for routine inputs and report production, but not for more sophisticated applications. Unfamiliarity with optimal use of the databases by grant managers is not entirely unexpected, given the burden of overseeing over 500 grantees during the three year period.
- ▶ Only OTI and other USAID and DAI staff (Dili, Jakarta, Washington) had access to the databases. Grantees, other NGOs, and donor organizations were not authorized access, but were able to obtain reports via OTI's East Timor website and periodic printouts. The

databases however, contained considerable information of that was high value to other stakeholders in East Timor's transitional process.

The evaluation team concluded that there would be considerable merit to OTI's devising the means to allow a clean and neutral version of the databases to be accessible to other stakeholders, both as an online and a printed directory. Printed directories could be distributed to grantees and NGOs. The purpose served would be the sharing of basic information among grantees and donors.

The team also notes that the two databases provide a significant baseline of data that can be utilized in the future as part of a tracer study (*i.e.*, to track trends in civil society's evolution). It is hoped that OTI can collaborate with USAID/CDIE to better design databases that would facilitate such tracer studies on individuals and organizations studied over a period of time via random interviews, etc. The purpose would be to more comprehensively assess the impact of the USAID/OTI programs.

## **B. OTI'S EXIT FROM EAST TIMOR**

### **Background**

OTI implemented a complex series of projects and activities over nearly a three year period in East Timor without the presence of a USAID Mission. While its operations there were under the purview of USAID/Jakarta, OTI representatives in Dili functioned with an unusual degree of autonomy. In October 2002, OTI concluded its mission in East Timor and a new USAID Mission was established. Whether OTI representatives and their USAID colleagues demonstrated skill and deftness in preparing for that handover of responsibility was a question of interest to the evaluation team.

### **Analysis and Conclusions**

It was the view of the evaluation team that OTI's transition out of East Timor was handled with discernible intelligence and that the smoothness of the transition is important in the overall record of achievement and impact which distinguished the OTI presence in the country. The high degree of autonomy and the extended length of OTI's presence in East Timor could well have led to inappropriate obligations and commitments for USAID's ANE Bureau, upon the establishment of the new Mission in Dili. The OTI mission could have left in its wake a number of awkward expectations and assumptions on the part of civil society entities and by the government and by other donors as well as *programmatically messy* for others to manage. Instead, the transition was planned and implemented in a manner that avoided such complications. Indeed, OTI programs became those of the new Mission to such a degree that the term *exit strategy* is slightly misleading in the East Timor context. The continuing USAID presence in East Timor can substantially build directly from the platforms and relationships erected by OTI; it can benefit from the high regard generated by OTI for USAID and for the U.S. Government.

Several factors contributed to this successful transition. One was that, since OTI had initiated a program in Indonesia in August of 1998 following the departure of the Suharto regime, the USAID Mission in Jakarta had an established relationship with OTI when the violent events of September 1999 in East Timor required an emergency response. In the aftermath of the upheaval

in East Timor, USAID was able to quickly and with confidence transfer staff and financial resources and mechanisms from Jakarta to Dili.

The relationship between OTI and USAID/Jakarta had been solidified by OTI's conscious efforts to ensure that its Indonesian program was viewed as an integral part of the Mission presence there. In turn, the Mission leadership in Jakarta "recognized the need for a certain amount of OTI 'branding' to demonstrate the unique nature of OTI's contribution and allow for accountability."<sup>5</sup> Consequently, a high level of mutual trust and respect between OTI and Mission staff existed at the commencement of operations, thereby facilitating the autonomous operations which ensued.

Moreover, there existed the Program Support Initiative (PSI) contract under which OTI operations were facilitated by its contractor, Development Alternatives, Inc., in both Indonesia and East Timor. The Mission in Jakarta was familiar with the flexibility of that mechanism and had appreciated its utility in mounting a program in a conflict setting. There was little Mission apprehension in regards to the high volume of in-kind grants being processed by OTI and DAI in East Timor; non-concurrence on the awarding of grants was never an issue in field operations there—and OTI processed some 514 grants in East Timor.

The PSI mechanism allowed the new Mission to retain key program and implementation elements from OTI's contract with DAI for its program portfolio and to utilize existing staff expertise.

The largely successful implementation of OTI's economic, media, civil society and governance projects directly provided the groundwork for USAID's Democracy and Governance Office longer-term program for East Timor. A shift in focus in the East Timor program toward the democracy and governance emphasis of the new Mission was discernable by November of 2001, when a democracy officer commenced working out of OTI offices in Dili; the incumbent of that position remained in place during the transition.

An unquantifiable but essential element facilitating the transition was the long-term participation by a few key individuals. In particular, the transition was made easier by the continued involvement of Justin Sherman, James Lehman, Michael Stievater and Terry Myers in their respective positions in East Timor and Indonesia. This corps of seasoned officers who personally experienced the upheavals of 1999 and shared a deep commitment both to East Timor and to the goals of transitional assistance was invaluable to the success of the OTI program. It is unusual for any USAID program to have the same leaders in the field over this period of time. Although these are personnel issues not built into the structure of organizational charts of USAID and OTI, nor addressed in the transitional strategy, the fact that experienced individuals remained in key positions to smooth the transition, was undoubtedly critical to its success.

The OTI operation in East Timor benefited immeasurably from having the right people in the right place at the right time. Decisions were made through an impressively proactive stance that saw OTI and DAI representatives energetically looking for opportunities and responding to locally articulated statements of need. OTI repeatedly moved to fill the gaps created by the UN's

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<sup>5</sup> The quotation is from an October 1, 2002, cable written by USAID/Jakarta on the subject of the OTI closeout and handover in East Timor.



uneven performance in East Timor. The whole operation was advanced by the strong supporting role played by James Lehman, the USAID/Jakarta officer who was designated as the Mission's overall coordinator for East Timor. Mr. Lehman's previous stint as an OTI officer well prepared him for the operation which unfolded in the country and allowed him to facilitate and not delay the program implementation.

The shift from Justin Sherman to Nina Bowen as OTI country representative in East Timor, coincided with the maturing of the program from an emergency operation to one with a longer perspective. There is reason to conclude that both Mr. Sherman and Ms. Bowen were extremely well qualified for leading the effort during these periods.

The evaluation team notes the universal praise directed at Getahun Reta, DAI's chief of party in East Timor during the initial phase of operations.

The evaluation team found that the studied and intelligent nature of OTI's transition out of East Timor contributed to its ability to conclude a three year presence in the country with an overall record of achievement and impact.

### **C. GENERAL CONCLUSIONS OF THE EVALUATION**

The evaluation resulted in a number of conclusions specific to various components of OTI-generated interventions in East Timor; these are presented in the sections which follow. A lesser number of more fundamental conclusions speak more broadly of the program and conform to the big picture approach encouraged by the OTI leadership. They include:

- ▶ The legacy of OTI in East Timor is an extremely positive one. There is considerable evidence that OTI had significant impact and that its operation supported and promoted the larger foreign policy goals of the U. S. Government; and that for the most part the interventions pursued were valid and appropriate and had considerable value—and that intelligent choices were made and the deployment of resources were strategically sound.
- ▶ The core objective of promoting a democratic evolution in East Timor was pursued with vigor and skill and resulted in a series of effective interventions that served to both bolster and profile participatory approaches to governance and to better prepare various actors in East Timorese society to take their place in a pluralistic system in which multiple voices can be heard.
- ▶ The economic recovery activities sponsored by OTI were less consistent in achieving their intended impact. The initial TEP program offered considerable positive political and some economic impact while its two successor programs were less successful. OTI interventions to shore up the technical capacities of the incoming government in the economic arena—largely centering on Timor Sea issues—are likely to demonstrate more long-lasting effect than more high profile programs. In the TEPS II and BELE programs, OTI appeared to take on more complex undertakings than its staff resources could support and consequent impact was uneven.
- ▶ OTI achieved measurable impact through its efforts to strengthen the NGO and media sectors in East Timor. In both cases, however, it seems likely that more could have been

realized had greater care been exercised in selecting entities to assist and had there been more early emphasis on capacity building and less on commodity transfers.

- ▶ The psychological and political impact of OTI programming, especially in the early days of the transition, should be acknowledged as making a substantial contribution to calming turbulent seas. OTI gave people early signals that recovery from the national trauma was possible and it gave the UN an urgently needed shot of credibility.
- ▶ The procurement mechanisms and small grant authorities exercised by OTI were key to its success. The flexibility of the grant mechanism and the quick disbursement of funds made OTI a highly effective player when most other donors remained stymied and inactive.
- ▶ The comprehensiveness of OTI's approach was equally essential to its success. Virtually everything needed to be done at once in East Timor—none of them easy—and OTI took on multiple challenges and facilitated the engagement of other players, domestic and international, to address them in an impressive manner which delivered results across a broad front.
- ▶ The indicators of OTI impact in East Timor—whether physical or from the analysis of key players and observers—are numerous. OTI succeeded in earning USAID and the U.S. Government considerable credit in the eyes of government and donor officials and of the general public.
- ▶ USAID was well-served by the personnel choices made by OTI and DAI in East Timor. The achievements reached were possible due to the dedicated work of a group of individuals prepared to work the long and hard hours necessary and to ably exercise the authority and trust placed in them.
- ▶ The work of OTI in East Timor has positioned USAID to have continuing high impact in East Timor into the foreseeable future.

The analysis that led to these ten general conclusions and to more specific ones can be found in corresponding sections below. A few cross-cutting questions that peppered the evaluation process are addressed here.

### ***Did OTI stay too long in East Timor?***

The view of the evaluation team is no. There is a danger that OTI would lose its comparative advantage if it artificially extended transition activities and strayed beyond core strengths. That largely did not happen in East Timor and there was no clear alternative in any case. The ANE Bureau was not in a position to establish a more standard USAID operation in East Timor much earlier than it did.

It is important to keep in mind that the lack of experience at decision-making and public policy formulation in East Timor is with few comparisons in the world. There was considerable effort required on many fronts simultaneously, and OTI was scrambling to have impact throughout its tenure in the country. The scheduling of OTI's exit from East Timor showed near perfect timing.

Had OTI extended its stay, it seems likely that impact would have waned, not increased, however.

### ***Did OTI spend too much money in East Timor?***

Given the needs in the country, it is difficult to conclude that too much money was spent in East Timor during the three year transition. However, given the record of achievement in a couple of areas, there is an argument that too much money was allocated unwisely (see the discussion below on TEP II and BELE). If both of those statements are valid, then one could conclude that had the money been spent with a sharper eye on the future, even additional sums could have been programmed.

A current challenge for USAID and for other donors in East Timor will be to recognize the low absorptive capacity of the government and to avoid the traps of a quicker disbursement of assistance funds than the situation warrants.

## **PART TWO: MEETING SPECIFIC PROGRAM OBJECTIVES**

### **I. OTI AND ECONOMIC RECOVERY**

#### **Background**

As described elsewhere in this report, the economy of East Timor, hardly robust prior to the violence of September 1999, was shattered by the destruction and dislocation that enveloped virtually the entire country. Dili and other towns lay in ruin. Several hundred thousand persons were in hiding. Few facilities were operational; communication links were cut; food and basic necessities were scarce; virtually no one had a job or the prospect of one.

While people were not starving due to international relief operations—and to their own underestimated resilience—the situation was clearly desperate. There was obviously little prospect for a successful political transition without the beginnings of economic recovery. The danger of communal instability was sharp and immediate, as, at first, hundreds and then thousands of young men with no employment, few assets, lots of frustration and not much to do—returned from the brush to Dili and to other urban centers.

In addition to this dicey situation, there were growing East Timorese suspicions of the international donor community—given the lack of visible assistance flowing from the enormous UN presence in their country.

#### **OTI Engagement**

From the onset, it was clear to the OTI leadership that “economic recovery was the most essential task faced.” Thus, in early 2000, OTI designed and implemented the TEP (Transitional Employment Program) project, the first of its attempts to spark the economy back to life. TEP was a very basic jobs creation intervention that was meant to put cash into the hands of individuals and relieve the tensions evident in the population. Via TEP, OTI invested some \$3.9 million through 469 small projects that directly engaged an estimated 63,000 people. It was billed as rapid, flexible and targeted assistance to community groups and NGOs. As discussed

elsewhere in the evaluation report, a number of those projects were implemented through the UNTAET district administrators—a mechanism with both practical and political origins.

Illustrative of TEP, grants were made to repair and rehabilitate schools, markets, water facilities, public buildings. Individuals were put to work clearing the enormous amount of debris clogging the streets of Dili. Projects were located in all thirteen districts of the country. The salaries paid—\$2.50-\$3.00 per day—were capped for individuals at a few days per week, in order to include more people in the workforce; this resulted in the inclusion of 63,000 individuals. TEP concluded its operation in August 2000.

OTI then successively launched the TEPS II (Transition Engagement for Population Support) and the BELE (Building Empowerment, Leadership and Engagement) programs.<sup>6</sup> Each of these projects centered on the in-kind provision

*“TEP directly bolstered household income and it familiarized people with the U.S. dollar, which had been selected as the new national currency.”*

OTI representative

of construction materials and commodities needed for the rehabilitation of community-identified facilities deemed to be important for economic recovery. Grants were made to repair agro-processing facilities, school rooms, water and sanitation services. Additionally, carpentry shops were built, access roads repaired, selected income generating activities supported, roofs for village markets replaced, and sports facilities such as basketball courts constructed. Under TEPS II and BELE, rice milling operations, cooperative activities based on the provision of hand-tractors, brick making and coffee production activities were funded.<sup>7</sup>

TEPS II funded some sixty-one small projects valued at \$644,000, while BELE supported another eighty-eight projects with a price tag of \$2,051,398. BELE concluded in February 2002.

Beyond these three high profile programs, OTI promoted the economic recovery of East Timor through a series of interventions. It provided ten grants to support micro-finance schemes. Through measures not typical of its operations elsewhere, OTI funded the technical

*Long-term impact is the major focus of the economic recovery portfolio in East Timor for OTI. Our aim is to help people see that money does not come from the sky.”*

OTI representative

assistance needed by the Government of East Timor for meaningful participation in the Timor Sea mineral rights negotiations. It assisted with the settlement of East Timor’s maritime and land boundaries, and provided technical inputs for East Timorese officials negotiating with the Phillips Petroleum Corporation on oil and gas extraction agreements.<sup>8</sup> OTI’s ability and willingness to respond to gaps in basic technical capacity in the public administration structures of the new government, (not demonstrated by other donors), such as in the Ministry of Finance,

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<sup>6</sup> See report annexes for particulars on earlier evaluation of TEPS II and BELE.

<sup>7</sup> Comprehensive prior reporting on and evaluations of TEPS II and BELE—see Annex A for details—make it unnecessary to repeat program particulars here.

<sup>8</sup> See further references to these interventions in the OTI and the Government of East Timor section of the report.

were also important interventions. Training for statisticians, hardly a high profile activity for OTI, but one urgently needed by the government, is illustrative of this approach.

As OTI concluded its presence in East Timor, its preliminary work on the micro-finance front presented an immediately obvious platform to pursue for the ongoing USAID program. BRI, an Indonesian institution and the largest profitable micro-finance bank in the world, was thought likely to undertake a pilot project that could lead to expanded micro-enterprise operations in the country and to new opportunities for the vast majority of its citizens, who remained without adequate incomes. OTI's micro-finance sector work commenced in 2001 and has demonstrated effective results.

## **Analysis and Conclusions**

There is much good to be found in an assessment of the economic recovery interventions undertaken by OTI in East Timor. From the commencement of operations, OTI's leadership realized that hope had to be provided to citizens in regards to an improvement of their plight and their prospects for survival for the sake of the stability and democratic evolution of the country. That vision was never obscured and through the end of its operations OTI was able to intelligently promote this core objective.

However, OTI's impact in the economic sphere was inconsistent. Its initial key intervention—TEP—was brilliantly timed and orchestrated and produced both economic and political dividends that more than justified the investment of resources. The more sophisticated and subtle interventions in the latter stages of its presence—the technical assistance related to Timor Sea issues, the micro-enterprise activities—were intelligent and promised to have impact in the future. On the other hand, TEPS II and BELE were less convincing, in terms of economic impact and in the integrity of their overall conception and implementation.

The TEP initiative was subjected to the criticism of some who scorned its “lack of sustainability.” The evaluation team found such charges to be considerably off target. Sustainability was neither the point nor the necessity of TEP. Indeed, it is hard to see how a sustainable economic intervention could have been designed or implemented in the chaos of East Timor at the time. TEP was meant to have explicitly political outcomes, as it rapidly distributed resources (cash) in the volatile situation; it helped diffuse that situation and legitimize the UN as the

### ***Farm-to-Market Road Support***

*The hills around the district center of Aileu are parched tan and the rains are late. The paved road leading past the refurbished market and brilliant pink war memorial is potholed but passable—until the rains come. Twenty kilometers beyond the town, several men sit under a tree on sacks of corn at the juncture of a road leading up and over the hills. These men are returning to their homes in Fatobossu, bringing goods they purchased at market. As we travel together up the narrow, rutted road, they tell us about their work three years ago to rebuild this road: restoring the bed, adding gravel, digging drainage ditches. Climbing higher along the brown hills, we turn into a valley where a cluster of homes dot irrigated farmlands vibrant with brilliant green crops: corn, tomatoes, squash, potatoes, peppers. In early 2000, the road was impassable, and the farmers had no way to get their produce to markets in Aileu or Dili. Through the TEP project, these same farmers had rebuilt the road, earning \$3.00 a day, which gave them access to the local market and cash for immediate needs. They remembered USAID and were proud of the work they had accomplished.*

Evaluation team field trip notes  
November 2002

accepted governing authority. It put idle individuals to work. It prompted the physical recovery of Dili and of other communities. It sent one of the first signals of hope for the recovery of the country from the mayhem of September 1999. Significantly, TEP immediately made OTI, and thus USAID, an especially valuable partner of the UN, and gave it credibility with the East Timorese.

OTI did not pretend that TEP was a long-term development scheme, as indeed it was not. It was meant to respond to the immediate need. And, while its benefit was primarily political, TEP in fact funded many sound projects and contributed to the physical recovery of the country.

TEPS II and BELE, like TEP, benefited from rapid resource disbursement, direct contact with NGOs and community groups, and these programs were flexible and responsive to locally articulated needs. OTI's successful use of small grants to address such needs, however, required a more consistent field presence than OTI could have possibly secured within the available time frame, such as a staff skilled and trained in community facilitation and problem analysis. Nor were appropriate institutional partners immediately available for this role in East Timor. Consequently, some of the projects funded under TEPS II and BELE were *naive* in the candid judgment of several key OTI representatives, while the evaluation team found some of these projects to be vague.

Several projects funded were inappropriate, if the reports given to the evaluation team members are accurate. For example, one well-placed observer referred to a BELE project that supported the construction of a carpentry shop for a group of men quite erroneously described as carpenters who in any case found no market for the products the shop allowed them to make. A number of income generating projects had minimal impact and basically wasted resources, according to the observer. An earlier evaluation of BELE reported a visit to a sports facility that had only been partially constructed due to a misjudgment on the amount of materials required for its construction. East Timorese officials and observers interviewed by the evaluation team reported that many NGOs and community groups who received grants under these programs were without track records or minimal legitimacy.<sup>9</sup>

*"It is hard to simply transfer money to villages. Considerable follow-through was needed, but not provided."*

OTI representative

The provision of rice mills proved to be more clearly problematic and seemingly a case of the wrong technology given to the wrong groups of farmers in the wrong places, causing not only waste but economic disruption, according to some analysts. Rice mills operations witnessed by evaluation team members resulted in the rice being ground beyond the point of marketability. Another mill nearby had been given to a farmer group formed solely to qualify for being rewarded the mill. This mill worked better, but the men in the group had largely displaced women workers who had previously milled the rice by hand. A net gain for the community was hard to fathom.

Such shortcomings do not characterize all (or even most) of the TEPS II and BELE projects. Beneficial activities were implemented under both initiatives, and these still continue to benefit East Timor, as noted by evaluation team members on field trips. There is, however, insufficient

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<sup>9</sup> See John P. Mason's "End of Project Evaluation" for TEPS II and BELE.

evidence to suggest that either program had considerable impact, or that there was a significant return on the investment of resources made by OTI.

The evaluation team concluded that OTI properly put early emphasis on economic recovery as a core objective and worked diligently to pursue that priority. A number of its interventions were especially skillful and smart and served to both spur economic recovery and deliver important political benefits. Its overall record is good in the economic sector. In the case of TEPS II and BELE, however, OTI appeared to be utilizing short-term grants to implement longer-term development objectives, without the staff resources needed to provide an acceptable probability of success. Consequently, the value and impact of those two programs was deemed to be modest. It is possible that the economic portfolio would have been more mature and would have had more impact, had the economic program officers in USAID/Jakarta been more engaged.

## **II. OTI AND DEMOCRATIC EVOLUTION**

Parallel to OTI's objective of promoting the economic rejuvenation of East Timor, was the goal of encouraging the democratic evolution of the newly independent but devastated and traumatized country. The OTI program in East Timor was seen by some senior USAID officials as essentially one of promoting broad U.S. foreign policy democratization and freedom of choice goals. OTI's director specifically charged the evaluation team with determining if the program could or could not be characterized as a demonstrable foreign policy achievement—with a positive finding resting on measurable impact, in terms of the program's directly nurturing a democratic evolution in the country.

The objective of encouraging democratic structures in East Timor was decidedly ambitious. The country was in chaos resulting from the pitched struggle for freedom and the tumultuous events of late summer 1999. There were few resources—including human capital—available and appropriate for the task of nation building. The economic future was uncertain. There were no democratic models or examples of governance known to the majority of the population, given the centuries of unenlightened colonial rule and the harsh quarter-century Indonesian administration. There existed formidable barriers to communicating the basics of democratic governance to the general population, such as the rudimentary nature of the news media, the complications of language, the low level of literacy, and the isolation of many communities.

There existed, however, no acceptable alternative, if the international community was to make an ultimate success of its intensive involvement and investment in East Timor. If the basic framework of democracy could not be erected, then the massive intervention and infusion of resources could hardly be justified.

The ultimate direction of democratic and participatory governance in East Timor is not knowable at this point.<sup>10</sup> The country faces considerable ongoing challenges as it struggles to right itself and to put in place systems and procedures that will ensure the rule of law and equal protection of rights for all citizens. Authoritarian impulses on the part of the ruling party are clearly discernable. The UN administration of the country during the three year transitional period was

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<sup>10</sup> A senior official at the U.S. Embassy in Dili spoke of a twenty-to-thirty year period before East Timor is likely to be fully anchored as a democracy and self-sufficient economically. A member of the diplomatic corps in Dili offered that "it may take ten years to see what we've done here."

uneven and key opportunities to better anchor more progressive and democratic structures were missed.

Yet, on the other hand, East Timor has conducted two national elections which were generally deemed to be free and fair. A constitution has been drafted and, after popular consultation, implemented. The country can boast a widely acclaimed President and a transparent Legislature accountable to the people. People from all strata of society, from all regions of the country, have participated in the task of nation building. By any fair measurement, the country has made considerable strides in achieving democratic governance.

OTI's contribution to the development of democratic governance in East Timor is considerable and impressive in its impact. The effort to strengthen democracy in the country has been complex, with many actors—local and international—playing key roles, of course. The progress made to date stems from many factors, including the democratic impulses of Xanana Gusmão, hero of the resistance movement and first elected president. But it is the judgment of the evaluation team that OTI's role in launching the country on a democratic path as it achieved independence, has been solid, intelligent, insightful and invaluable. OTI has delivered solid results in its pursuit of programmatic objectives in this sphere. The team notes that in an interview, a senior U.S. diplomat referred to East Timor "as one our few success stories," in reference to the foreign policy goal of promoting democracy, and he credited OTI with helping achieve that success. The team concurs.

Through its interventions to broaden access to information on the process of governing, infuse political institutions with a well-grounded orientation to democratic principals, encourage citizen participation in public life, bolster civil society and promote the rule of law, OTI has been central to the impressive progress realized in East Timor since the dark days of 1999. OTI's well-orchestrated interventions to strengthen democratic governance in the country were separately and collectively crucial throughout the transitional period. Its interventions delivered measurable impact in sectors central to the objective of strengthening democracy. Illustratively, OTI:

*"The comprehensiveness of OTI's approach is the key to its success. OTI took on so many essential elements."*

International NGO representative

- ▶ Engaged NGOs in the challenge of rehabilitating the country and enabled them to be seen as valuable and legitimate players at the critical moment, when civil society was being shaped and defined in the minds of government officials.
- ▶ Supported the country's nascent media sector and allowed journalists to take the first steps toward becoming independent voices in the life of the new nation.
- ▶ Provided working examples of grassroots advocacy on public policy formulation.
- ▶ Facilitated the ability of members of the new parliament to function administratively and to engage constituents in an ongoing dialogue on policy priorities.

The cumulative effect of OTI's activities in support of a democratic evolution in East Timor was considerable. Its projects separately and collectively had notable impact directly reflective of



and responsive to programmatic objectives. Particular results in four specific areas are discussed below. The evaluation team concluded that OTI's efforts in these four areas contributed to overall impact that was broad and deep, despite the numerous hurdles and complexities faced. The objective of democratic governance was moved forward as a direct result of OTI's work. *A demonstrable foreign policy achievement* is an apt and fair characterization of OTI's three year presence in East Timor.

#### ***A. Increasing The Public's Access To Information//Citizen Participation In Government Increased***

### **Background**

Overcoming societal and historical barriers to communicating the complexities of establishing a democratic government and promoting processes that require citizen participation to prosper are central to facilitating a democratic evolution in any country that has been denied self-rule. The task in East Timor was immeasurably complicated by the widespread lack of information available to the country's residents. Problems were formidable: illiteracy; the fractured language situation; the physical remoteness of many communities; an underdeveloped news media. The quarter century Indonesian occupation had denied people even minimal participation in public policy formation and left them skeptical of news sources. The challenge was exacerbated by the climate of fear lingering from the violence of September 1999 and the ongoing rash of rumors of reprisal attacks which startled already frightened people. The prospects of communal violence were in fact real, and the fears stemming from that reality kept thousands of families in refugee camps and temporary locations.

It was imperative in East Timor to both quickly establish communication systems to counter rumors with solid information and thus consolidate the tenuous peace, and to bolster the news media and afford citizens the opportunity to knowledgeably participate in the task of nation building. The imperative was to be met initially through nationwide FM radio coverage to be provided by Radio UNTAET from the onset of UNTAET operations in the country. This coverage was not achieved until December 2000, more than one year later. The delays on the part of Radio UNTAET created a vacuum and fueled OTI's heavy investment in the media sector.

### **OTI Engagement**

OTI almost immediately seized upon the importance of affording East Timor's citizens greater access to information as crucial to its overall efforts in the country. It pursued this objective through a series of interventions that were interwoven in virtually all aspects of its programmatic portfolio, but in particular the objective of increasing participation in the governance of the country. A number of measures illustrate the approach taken:

- ▶ Early in the transition period, OTI worked with UNTAET on the repair of thirteen radio transmitters which immediately boosted the percentage of the population able to receive news and informational broadcasts. Three East Timorese NGOs distributed radios to remote communities through an OTI grant.

- ▶ OTI provided funding for the repair of buildings used by radio broadcasters and newspapers. The first newspaper to be published in Dili following the violence was *The Timor Post*, an entity directly assisted by OTI.
- ▶ OTI funded the creation of simple videos of each district of East Timor for distribution in the refugee camps in West Timor.
- ▶ OTI facilitated a series of border meetings between Xanano Gusmão and counterparts in West Timor, in order to reduce tensions in refugee settlements there. Working with Catholic Relief Services, OTI funded the distribution of *The Timor Post* and subsequent publications in the refugee camps, to provide residents with more accurate information on conditions in their home communities; it separately provided the means for small groups of West Timorese journalists to come to East Timor in order to promote more accurate coverage of developments in the latter.
- ▶ Working with the Ministry of Planning, OTI supported the printing and distribution of the national development plan—the new government’s primary communication to the country’s citizens on its long-term view of economic revitalization. This effort directly facilitated widespread community level participation in defining the developmental goals of the country.
- ▶ OTI funded an extensive series of seminars and in-house mentoring opportunities for journalists and provided journalists with equipment and motorbikes for transportation, and was a key supporter of the establishment of the East Timor Journalists Association.
- ▶ Yayasan HAK and other human rights groups were given opportunities to communicate to the public via radio, as the draft national constitution was being considered.
- ▶ Approximately fifty civil society groups received OTI grants to support civic education projects in concert with the parliamentary (Constituent Assembly) elections of 2001; similar activities were funded when the presidential election was held in 2002.
- ▶ Through the Carter Center, Yayasan HAK and other intermediaries, OTI supported a series of community seminars and forums focusing on conflict resolution, the justice system and the electoral process.
- ▶ OTI funded a district report project commencing in March of 2001, which provided salary support and equipment for reporters in each of the country’s districts. This effort allowed for the first time, news from the districts to reach the whole country.
- ▶ OTI provided funding for live radio and television broadcasts of panels of journalists interviewing political party representatives in advance of the crucial 2001 elections.

Examples of similar interventions serve to profile OTI as continually and proactively moving to improve the access to information for the people of East Timor, and thus their ability to participate in the national recovery and transition processes. OTI grants provided via NGOs and human rights groups were meant to educate the public on their civic responsibilities and on the rights of women in a democratic society, to promote community reconciliation and good

governance in general. OTI-funded projects first exposed local NGOs to the critical role as advocates for constituents, that they could play in the new environment.

The media program orchestrated by OTI was obviously central to the objectives of broadening access to information and increasing citizen participation in public affairs. Given the size and importance of the program, it is described in some detail in a subsequent section of this report. Particulars of the media program need not be repeated here.

## **Analysis and Conclusions**

There is convincing evidence that the OTI leadership in East Timor instinctively comprehended the urgency of expanding the public's access to information, if its larger objective of promoting democratic evolution were to be realized. From the onset of operations, when it was necessary to quell rumors and to provide accurate information to people understandably paranoid about their safety, OTI consistently accomplished this task, and expanded the likelihood of citizen participation in the governance process.

Through its media program, its civic education efforts, its work with NGOs and other activities, OTI maintained an emphasis on getting information to the public and on strengthening the capacity

*"We responded to a vacuum; we created a process to get information in the hands of people."*

OTI representative

of existing institutions to disseminate news and informational programming. It seized strategically important opportunities to further its objectives in this sphere—illustrated by the early effort to rehabilitate radio transmitters and to supply radios to rural residents. It facilitated important *community dialogues* that contributed to the public's participation in the drafting of the constitution, the finalization of the national development plan, and the successful conduct of two elections.

It is the view of the evaluation team that OTI correctly placed emphasis and priority attention on the objective of expanding the public's access to information and then implemented programs that furthered the related objective of increasing citizen participation in nation building and in their governance.

*"Civic education was the biggest missed boat. Not doing more to seize the one-shot opportunity to help people understand the nation building opportunity before them was a mistake."*

OTI representative

Consultations with OTI representatives do reveal some regret that the civic education component of this effort was not made even more of a priority. The evaluation team concurs with this sentiment, but notes the context of the times and the multiple critical needs facing those engaging in assisting with the transition. Further, there were no implementing partners immediately available and, additionally, *OTI again made the error of overestimating UN resolve and effectiveness in this sphere.* "We failed to anticipate their weakness," one OTI staff representative remarked. In retrospect, it appears that consideration could have been given to providing a large grant to an international NGO with civic education expertise. There are, however, no guarantees that such an entity would have produced solid impact on a timely basis;

OTI's troubled relationship in the early days of its engagement of InterNews illustrates that reality.<sup>11</sup>

Overall, the evaluation team credits OTI with considerable success in achieving impact in its pursuit of these two related objectives. Its media program, while not without shortcomings, in particular, was intelligent and contributed significantly to the progress in pursuing the objectives. OTI deserves credit for its contributions in this sphere—contributions that would appear to exceed those made by other players.

## ***B. Political Institutions Strengthened***

### **Background**

As discussed in the introductory section of the evaluation, there were few foundations for crafting democratic governance in East Timor as the international intervention commenced in 1999. There was little in the country's experience which positioned many of its citizens or its political institutions to efficiently address the tasks associated with nation building. A new country had to be defined, a government had to be structured, processes for securing participatory governance had to be invented. The United Nations, of course, served as the major player working with East Timorese factions and individuals in addressing the monumental challenges and sorting out the myriad tasks associated with the overall process. The U.S. Government, primarily through OTI, played a significant supporting role. Other donors such as the British, Australians, Japanese and Portuguese also had a major presence in the nation building process.

### **OTI Engagement**

OTI cast a wide net in proactively structuring activities to strengthen various political institutions in East Timor. Its stance was clearly one of nudging as many key entities as possible to a higher level of stability and effectiveness, in order to further its programmatic goal of promoting a democratic evolution. OTI sought to indirectly underscore the legitimacy of various players via such efforts as the reintegration of Falintil combatants, the repatriation of refugees from West Timor, and the provision of program grants via the UN district administrators; OTI made visible progress in giving local political leaders (often village chiefs) credibility by showing that they could deliver on priority issues. But numerous OTI interventions more directly and more consciously supported the political institutions of the fledgling country. Illustrative of such interventions were:

- ▶ Structuring community input via local leaders to grant proposals under TEP and other projects.
- ▶ Working through the UNDP and IRI on building the skills of members of the new parliament, including the provision of technical assistance for the actual drafting of legislation.

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<sup>11</sup> See the brief discussion of OTI and InterNews in the media section of the report.

- ▶ Providing a consultant to assist in organizing staff functions in the newly established Office of the President.
- ▶ Funding highly sought-after training of election monitors for the successive national elections.
- ▶ Providing technical assistance utilized in the drafting of the national constitution.
- ▶ Funding the publication and distribution of *East Timor 2020*—the national development plan.
- ▶ Securing technical assistance critical for effective East Timorese negotiation on the Timor Sea oil and gas lease agreements.
- ▶ Proactively arranging training on respecting human rights and crowd control for appropriate units of the new national police force.

Other examples discussed throughout the report paint a picture of an OTI operation which is highly attuned to the requirement of shoring-up wide political support for the various structures of government in the country. Efforts continued throughout OTI's tenure in East Timor: a September 2002 grant to NDI provided for training to the parliamentary committees dealing with national security, defense, foreign affairs and various domestic issues.

## **Analysis and Conclusions**

There is ample evidence that the overall international effort to facilitate a transition to self-governance in East Timor realized some significant success. Various political institutions have achieved some measure of viability. A popularly elected parliament and president are in place. The formal independence of the country has been recognized by the entire international community, including Indonesia; East Timor is the newest member of the United Nations.

Consultations throughout the country preceded the adoption of a national constitution. The new government has been able to sign the Timor Gap treaty with Australia, ensuring a potentially significant revenue stream far into the future. The physical rehabilitation of Dili and other communities has been rapid.

Progress made to date has to be credited to a number of factors and players, of course. It is the conviction of the evaluation team, however, that the interventions made by OTI to shore-up the credibility and legitimacy of various political institutions were extraordinarily important to that overall progress. Early strategic decisions by OTI, such as using NGOs as the entry point to civil society, emphasizing the concept of an independent media—were critical contributions to the creation of an enabling environment that made possible the later consolidation of the governing system. OTI's later efforts—working with political parties and parliamentarians—were equally intelligent and well-chosen. The objective of strengthening political players was central to OTI's overall purpose in the country, and the impact realized pursuing that objective was discernable and impressive.

## **C. Justice/Rule of Law**

### **Background**

The justice system in East Timor is close to being dysfunctional. There is no operating Court of Appeals, nor a Supreme Court; only Dili and Baucau have operating district courts. There is little infrastructure. There are few defense attorneys and prosecutors, and fewer public defenders. Only a handful of judges are in place and their level of training and experience is minimal. The training that is available for individuals asked to fill judicial appointments has been mostly in Portuguese, a language that many of them are only now learning. Training also tends to be centered around laws which do not apply in East Timor. All of this means, predictably, that defendants are illegally detained and the waiting time for judicial processing can be endless. "Frequently you go on trial in East Timor after serving time in prison," the evaluation team was told by one international observer.

The management of the jails and prisons is a major problem facing the country. Juveniles are locked up with adult defendants. Jail breaks are frequent. An additional challenge is the extraordinarily high levels of domestic violence seen across the country. The normal community policing response to such an issue is complicated in East Timor by the low level of trust enjoyed by the police—reflective of the views forged during the Indonesian occupation, when the police (and the military) were often the perpetrators of common crimes. Crucial to the consolidation of democracy in East Timor will be an end to the culture of impunity in regards to the rule of law exercised in the past by government officials. Justice for all will have to be visible and transparent.

This situation is a direct result of the near absence of East Timor experience in performing judicial, prosecutorial and investigative functions in the context of a modern nation-state. A UNTAET survey estimated that only seventy-two East Timorese citizens have any legal background; half of those individuals now make up the country's fledgling judiciary. According to an informal count, there are barely over 30 functioning lawyers in the country and virtually all of these received their training in Indonesia. It is reported that a few lawyers from the East Timorese diaspora had returned, but subsequently departed the country.

More encouraging and somewhat surprising is the new government's early commitment to human rights. There is a widespread emphasis on human rights in official pronouncements at the national and community level. The Council of Ministers signaled a serious symbolic commitment with its across the board ratification of all international human rights accords. (Of course, ratification does not translate into uniform adherence, given the state of the judicial and police systems.) There is a human rights advisor working in the Prime Minister's office. The UN has fifteen human rights advisors working with East Timorese counterparts in district administrative offices across the country.

An issue of particular importance is the work of the Commission for Reception, Truth and Reconciliation, consecrated in October of 2001. Consisting of five-to-seven national commissioners and twenty-five-to-thirty regional ones, the Commission functions to facilitate two primary objectives:

- ▶ An inquiry into human rights violations committed within the context of political conflicts between 1974-1999; and
- ▶ Reconciliation agreements between local communities and the perpetrators of non-serious crimes and non-criminal acts committed over the same period.

Regulations governing the Truth and Reconciliation Commission stipulate that there can be no further civil or criminal liability for those who comply with its conditions for determining the accuracy of charges levied against individuals and the consequences for those deemed guilty. It is consciously based on the model erected in South Africa to examine crimes committed under the apartheid system.

*“The Truth and Reconciliation Commission has plans to take the personal statements of over 8,000 victims of the abuse.”*

Senior diplomat

By establishing a community-based mechanism to deal with less serious crimes, the informal adjudication of liability for those who comply with the conditions of the Commission is intended to allow the criminal justice system to concentrate resources on perpetrators responsible for more serious crimes. It is slated to operate for two years.

Related is the establishment by the Indonesian government of a human rights court, whose operations will test that government's willingness to hold military officials accountable for atrocities committed in East Timor after the Popular Consultation vote in 1999. A recent series of high-profile cases and the November 2002 acquittals of high ranking defendants have solidified serious doubts in East Timor over the independence and legitimacy of the Indonesian court.

## **OTI Engagement**

OTI supported a number of activities meant to consolidate the judicial system and to deepen the understanding of and commitment to the concept of rule of law and of human rights. Indicative of that support was a diverse range of grants including:

- ▶ In July 2001, OTI funded an interim office for the Commission for Reception, Truth and Reconciliation. The office served to recruit commissioners, plan and implement logistical work required for the two-year effort, and liaise with donors for longer-term funding support.
- ▶ Provision of training on human rights and conflict management for police officers implemented by the UN's Human Rights Center.
- ▶ Support for public information dissemination of such topics as civilian/military relationships, with an emphasis on the concept of civilian control over the military.
- ▶ Funds for the training of judicial staff, support of legal services organizations, early in-kind materials for the nascent Ministry of Justice, including the provision of motorcycles to allow access to the rural provinces.

- ▶ Support for the Justice System Monitoring Program, an initiative to monitor trials, drafting of legislation, and overall development of the justice system.
- ▶ Support to Yayasan HAK—a human rights NGO—for a series of community seminars on legal and human rights issues.
- ▶ Funding to an NGO in Oecusse for repatriation/reconciliation activities in concert with the UNHCR.
- ▶ Support through the Carter Center, for a four-month community policing and rule of law project.

OTI's rule of law project also provided the Ministry of Justice with previously unavailable law reference publications and the Serious Crimes Investigation Unit with equipment and translation services. Additionally, it supported the Judicial System Monitoring Program and the Independent Legal Aid group. The former organization observes the conduct of court cases, the latter provides free legal counseling.

OTI's engagement in the FRAP initiative to reintegrate former combatants into civilian life is discussed below in a separate chapter of the report. The political skill with which former combatants and other potentially disgruntled activists for independence are handled will be a major challenge for the East Timor government and for the country's judicial and police systems for the foreseeable future.

## **Analysis and Conclusions**

Getting the justice system of East Timor to function at a level that will provide for the rule of law and equal and fair treatment for all citizens will remain a preeminent challenge for the new Government, and for the international donor community engaged in nation building there. Past experience and the lack of experienced individuals guarantee that reality.

OTI's early contribution to that long-term objective has been serious and effective. Its interventions, relatively small in scale, have been strategic and intelligent. The evaluation team was especially impressed with the human rights training provided police officers via the UN, referenced above. All involved in that effort credit OTI with seeing the crucial importance of such training and proactively coming forward to make arrangements for classes that involved virtually all active duty police officers. The training was well received and if follow-up training is provided, has the potential of establishing a more healthy orientation to human rights by the police than otherwise would be the case.

*"The history here is that of police abusing their authority. The police force was an organ of state control under the Indonesian occupation. Getting a different orientation is critical."*

UN human rights officer

During its three year stint in the country, OTI also worked effectively with USAID's Office of Democracy and Governance in dovetailing program objectives in East Timor. Thus when the democracy and governance program came on line, there was a solid and complementary foundation from which to build. That program will focus on the justice sector, national and local



legislative and executive bodies, civil society and the media. In all of those sectors, including justice, OTI has made important interventions that will serve to forward overlapping objectives.

OTI activities in the justice sector, including those reflected in the awarding of grants detailed above and others, show the intelligence and political savvy that characterized much of its work in East Timor. Thus a relatively small investment of resources is seen as having beneficial impact that will facilitate the longer-term work of USAID and others in the country over the coming years.

### **PART THREE: OTI INTERACTION WITH KEY ACTORS**

It is OTI's engagement with various players critical to the national transition in East Timor that ultimately results in its impact and effectiveness in the country. The level of success realized by OTI—its role predominately that of facilitator and catalytic agent—can largely be measured by its ability to strategically prod, stimulate, stabilize, protect and/or enable actors in multiple sectors that are key to a peaceful and democratic transition. Of particular importance was OTI's engagement with the nascent NGO and media sectors, UN entities and donor agencies, and the fledgling government. Also important was OTI's role in encouraging various parties to deal with fundamental issues of civilian/military relationships in a democratic society and the reintegration of decommissioned resistance fighters into civilian life.

This section of the report examines OTI's engagement in these sectors and offers conclusions on the impact of such engagement.

#### **A. OTI AND THE NGO SECTOR**

##### **Background**

Prior to the referendum of 1999, only a handful of indigenous NGOs existed in East Timor—church-affiliated groups such as CARITAS and Puslawita and a few development and human rights organizations, such as Bina Swadaya, Fokupers and Yayasan Hak—in a sector otherwise dominated by Indonesian entities. The local groups obtained very modest levels of assistance from donor organizations. USAID, for example, supported the Timor Coffee Project, while international NGOs such as CRS, CCF and CARE supported a handful of local partners.

Occasional sector forums were facilitated by established Indonesian NGOs and/or church network organizations (WALHI, YLBHI, CARITAS, KASIMO) which served as umbrella entities and provided access to donor funds. The focus of NGO work was largely in the environmental, agricultural, micro-finance, legal aid and human rights areas. The sector as a whole was underdeveloped.

The post-referendum period saw such mushrooming of NGOs that by September 2002 the national NGO Forum had formal registration of over 250 local NGOs, plus some fifty international groups (exclusive of UN agencies). Expanded areas of focus included civil society/civic education, the media, economic development and agriculture. The Forum itself was established by a number of relatively more established NGOs, to coordinate and facilitate relations with donor agencies engaged in nation building in East Timor. The NGO Forum acts as the *de facto* NGO registration entity in the country—registration being a prerequisite for the

establishment of banking relationships—and thus appears to have taken on the role of a certifying and regulating body of local NGOs.

Ironically, East Timorese NGOs experience significant disruption, as a result of donors' interest in sending staff members abroad for study and training programs. While it is difficult to suggest that such opportunities are not ultimately beneficial, the immediate reality is discontinuity in the management of nascent NGOs, which are often almost entirely dependent on the skills of one or two highly motivated staff leaders.

## **OTI Engagement**

OTI's early and high profile—and direct—support of the NGO sector in East Timor was central to its flourishing. Almost immediately upon establishing a presence in the country, OTI began to structure channels to bolster the sector, largely in the form of in-kind grants that allowed NGOs to resume (or commence) operations. Thus, by the first months of 2000, OTI grants were being utilized to provide office equipment and supplies, transportation (cars and motorbikes), computers and other materials to NGOs. The grants were made directly to NGOs identified by OTI staff members as having at least the potential of delivering important social services to constituents. There was not a filtering organization between OTI and the NGOs.

OTI perceived of NGOs as being both a vehicle for quickly providing social services to the devastated population, and as the entry point to civil society—perhaps its dominant objective in East Timor. The initial grants concentrated on office rehabilitation and the short-term (three month) provision of salaries, in order to get the groups up and running. Twenty-three grants ranging from \$8,000 to \$25,000 and limited to pre-existing NGOs were provided in the first tranche; the grants went to a purposely diverse grouping of NGOs working in multiple sectors. Of the twenty-three groups supported, most remain active today; and only two are known to have disbanded, according to OTI staff.

*“This early effort to boost the NGO sector was the right way to go. The risks taken were justified. The survival of so many through the present proves that point.”*

OTI representative

NGOs supported during the first phase of operations were candidly deemed to be high risk by OTI. Many presented proposals that were seen as “totally unrealistic.” But the larger goal was to bolster the sector and to help anchor the concept of civil society, as the new nation was defining itself. OTI representatives today acknowledge some surprise at the number of groups that have survived and been able to successfully compete for programmatic grants from numerous donor agencies.

*“The directness of OTI's work in East Timor is key. This is why it worked. We did not have the diversion of energy to large American NGOs.”*

OTI representative

By August 2000, the second phase of support to NGOs commenced. More focus on programmatic activities dominated this round of grant making, which provided cash and in-kind support to some eighty NGOs. At this juncture, OTI officials decided against engaging an international group experienced in NGO capacity building to be the administrator of the grant program. In doing so, an opportunity to more solidly enhance the fundamental institutional

capacity of local NGOs may have been lost. OTI, by the admission of its staff, is not the proper organization to undertake NGO capacity building, and thus this longer-term objective was not prominent in its approach.

OTI representatives today express considerable regret that more effort was not placed on civic education during this phase of grant making to NGOs. At least two factors are cited for what retroactively is seen as a shortfall: no obviously well qualified implementors were immediately available; and a faulty assumption that the UN would have been more active and effective on this front than proved to be the case.

*“Civic education was our biggest missed boat. There was a one-shot opportunity to help people understand the nation building process and we missed it.”*

OTI representative

Beyond the initial tranches of grant making, OTI of course continued to support NGOs in East Timor, but most significantly through specific programmatic interventions, such as, for example, through support of the media.

Interviews undertaken by the evaluation team with a significant number of East Timorese NGOs which were provided grants by OTI, confirm an initial impression that many of these groups—especially those in districts beyond Dili—demonstrate continued difficulty in articulating a vision or mission for their work. Predictably, some of the NGOs encountered had the capacity to present proposals to donor agencies identified through constituent consultations and internal analysis, while others were limited to echoing donor agendas. In virtually all cases, the ability to clearly connect needs with interventions through articulate problem statements/proposals, was low.

NGO grants supplied by OTI were wide ranging—from manageable activities such as community-based literacy campaigns, to more ambitious ones such as those in the media sector. Many of the organizations visited by the evaluation team had reasonable organizational structures on paper, but were led by inexperienced and often quite young individuals lacking organizational management, assessment and programmatic design and implementation expertise. Not all of the NGOs have by-laws and the role of board directors is often murky.

*“The term NGO implies a foreign entity here. Local groups forming in response to community needs is a concept just emerging. It is not well rooted as a legacy of the Indonesian administration, which did not allow such activities. There was, for example no such thing a school board. The need for local associations will be even more apparent when the international NGOs scale back their programs—as they are now.”*

U.S. Peace Corps Volunteer

## **Analysis and Conclusions**

The evaluation team endorses OTI’s early, high profile support for East Timorese NGOs; it concurs that this approach was essential for achieving the objective of a vibrant civil society—as the basic concepts of national governance were being defined and the structures of state authority erected. OTI was pursuing two fundamental programmatic objectives in East Timor—economic recovery and a democratic evolution—and the bolstering of civil society was central to

both. Support for NGOs, as well as for an independent media was the appropriate keystone for contributing to the civil society component of those objectives.

The evaluation team offers several specific comments and conclusions relevant to OTI's engagement with the NGO sector:

- ▶ The willingness of OTI to accept the risks inherent in supporting NGOs with slight track records and minimal demonstrated capacity should be applauded. The risks taken were justified under the circumstances and paid considerable dividends on the investment made.
- ▶ Nevertheless, it should be noted that concerns expressed by well-placed observers—including members of the local NGO community—that in too many cases, grants were provided to illegitimate groups—are troubling and raise questions about resources being wasted.
- ▶ While acknowledging the difficulty of getting an international NGO skilled in capacity building in place in a timely manner, it must be said that greater effort should have been made to do so at an earlier stage of OTI's engagement. Alternatively, local NGOs should have been partnered in some fashion with international counterparts (NGOs or consultants) to ensure some basic transfer of skills and operational expertise. Too many of the groups supported had minimal programmatic contributions to make, once their infrastructure had been fortified. Building the institutional capacity and programmatic skills of NGOs was one of the more significant challenges OTI faced and the rationale for its later support of various international NGOs partnering with local groups.
- ▶ Training on basic management capacities—finance and administration, needs assessment, program planning, monitoring and evaluation—should have been built into the NGO grants mechanism.
- ▶ It is likely that greater impact would have been realized had a smaller number of NGOs been supported more comprehensively. That is, by providing the capacity building inputs suggested above to a more select group of NGOs, OTI might have realized deeper and longer-term impact from the same budgetary investment.

None of the conclusions offered here detract from the central finding of the evaluation team in this area. There is concurrence that OTI's support of the NGO sector was pivotal in energizing its members to help face the daunting challenges faced in the country. The early grants from OTI enabled NGOs to regroup and to engage in various activities to help communities recover from the trauma of September 1999. Such early support signaled faith in the viability of civil society in East Timor and underscored its importance in the democratic evolution of the country. Nevertheless, it is clear that an earlier focus on boosting the organizational capacity of NGOs should have been a higher priority for OTI, and that it would have served to deepen the impact of the commodity provision aspect of the program. The entire effort would have benefited from a more strategic approach.

## **B. OTI AND THE MEDIA**

### **Background**

The concept of an independent news media had decidedly shallow roots at the onset of East Timor's transition to nationhood. There had been little exposure to a free press during the Indonesian occupation and scant opportunity for would-be journalists to develop the essential skills and traits of their profession. Most of the critical writing that had been done during the occupation was that offered by a handful of brave individuals struggling in the human rights field. The country's only independent newspaper, prior to the transition period, was *Suara Timor Timur*, based in Dili. Due to the isolation of East Timor's rural population, the high rate of illiteracy and the ever-complicating issue of language—and of course the limited economic base to support production costs—the viability of publishing a newspaper had been uncertain (as it somewhat remains today), regardless of the attitude of the Indonesian administrators. Government-controlled radio communication reached a considerably larger audience.

After the events of September 1999, it was obvious that an immediate priority for the UN administrators of East Timor and for the international donor agencies assisting with the national transition, had to be support for a more vibrant and independent media. The immediate challenge was to find the means of disseminating information to a fractured and frightened populace living in high uncertainty about their future, while bombarded with rumors of imminent violence and reprisal attacks between various groups. The task was complicated by the physical destruction of what limited media facilities there were; the printing plant for *Suara Timor Timur*, for example, was among the buildings burnt to the ground in Dili.

The second but equally urgent goal was to help establish the principle of independent and multifaceted media in the country, before the incoming government office holders could put in place rules and regulations that inadvertently—or more purposefully—undermined the concept and precluded its exercise. Complicating progress, there were few individuals in the country who immediately sensed the importance of this principle. To the present, most government officials are seemingly indifferent to the need for an independent news media.

### **OTI Engagement**

A functioning East Timorese news media not controlled by government was of paramount importance to OTI and its core objective of encouraging democratic evolution in the country. OTI thus crafted activities in the media sector from the onset of its operations in the country, and supported ongoing initiatives throughout the three year period, with total funding in excess of \$3 million.

OTI's initial engagement was undertaken with the assumption that it would supplement the leading role to be played by United Nations agencies. This assumption stemmed from a conference held in Bangkok in late 1999 that ended with a series of pledges by various players to assist the nascent media sector in East Timor. Most prominently, UNESCO agreed to take on the coordination of assistance efforts in the sector. In fact, UNESCO failed to establish a presence in the country, and served largely to confuse the situation and to delay the implementation of useful programming. UNTAET's Office of Communication and Public Information, the most logical coordinator of donor efforts, also declined to take the lead, and remained disengaged from the

effort during the early phase of the transitional process. OTI and World Bank staff then scrambled to fill the vacuum created by UN inaction.

OTI took on this central role, minus the benefit of media expertise on its staff. This fact is important in viewing OTI's performance, not merely as a donor in the media sector, but as a coordinator of technical assistance and manager of media support interventions.

OTI grants supported the training of journalists and technicians and the operational costs of both print and broadcast media entities in a broad arc of interventions. These interventions, taken in concert with other players and unilaterally, focused on helping to establish or reestablish newspapers, magazines and radio stations. Approximately fifteen media entities, including two daily newspapers, three magazines, three district news bulletins, three district radio stations, three Dili-based radio stations, a print consortium, Radio UNTAET and the East Timor Journalists Association, were directly supported by OTI during 2000-2002. Training and mentoring of journalists constituted a major and ongoing component of OTI activity in the sector.

*"OTI should have probably brought in in-house media expertise. Media work requires different skills than most development work and it thus needs someone capable to manage it."*

Well-placed observer

Additionally, OTI took on the task of facilitating the distribution of newspapers beyond Dili, both to rural provinces and camps in West Timor hosting thousands of East Timorese refugees. It was involved in the formulation of the basic laws governing the news media under the new government, and supported the birth of television broadcasting in the country. OTI interventions to facilitate news and informational radio broadcasts, played a major role in the successful conduct of two national elections in East Timor, as it was radio programming that informed people of the electoral process and deflated wild rumors with potential to derail that process.<sup>12</sup>

*"East Timor was able to hold two successful national elections without a single case of violence. This was largely due to the media—these radio stations helped knock down ugly rumors."*

Senior UN official

The training of journalists component of OTI media programming proved to be a major challenge from the onset. Many of the "media professionals" slated for training were simply former students, with limited and relatively poor orientation to their occupation from their college days in Jakarta. Under the Indonesian administration, media outlets in East Timor were basically government mouthpieces, and journalists were expected to be print government news releases without comment or analysis.

In addition to the lack of orientation to professional standards, the media entities that OTI was assisting were almost completely without infrastructure. There was no staff, no machinery or equipment, no paper, no distribution system, and only very limited transportation and

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<sup>12</sup> OTI well documented the particulars of media activities in East Timor. Readers seeking programmatic details should scan Annex A for bibliographical references. In particular, separate assessments of the East Timor print consortium and the media sector in general, both authored by A. Lin Neumann, are instructive.

communication capability. This situation led to one of OTI's major initiatives—funding for the print consortium. The print consortium concept had grown from the Bangkok conference of December 1999, and was seen as a simple solution to address the dire need for printing facilities in East Timor. The essence of the consortium plan was to rehabilitate three Heidelberg offset presses abandoned by the Indonesians and subsequently damaged during the violence—and to put them to cooperative use for the fledgling print media.

OTI's interest in fortifying the basic journalism skills of the East Timorese media professionals led to its engagement with InterNews, a U.S.-based organization dedicated to building the media sector in developing countries around the world. InterNews subsequently received three major grants from OTI; two of them centered on bolstering the professionalism of journalists, and the third grant entailed work with the press office of the new parliament. The relationship between InterNews and OTI was not destined to be an especially smooth or consistently positive one.

### **Analysis and Conclusions**

OTI's achievements in bolstering the concept of an independent media in East Timor and in giving the sector a functional reality were major contributors to the fundamental objective of encouraging a democratic evolution in the country. The media in the country remains weak and uncertain, its programming erratic and uneven—but it *is* functioning when there was no guarantee of that fact. Today, there are radio and television broadcasts; there are newspapers and magazines; there is an association of journalists. *Most significantly, some media entities are generating minimal revenue through subscription sales and advertisement, while there are few overt signs of government manipulation of the content of news stories.* With only one or two exceptions, the media entities supported by OTI remain functional.

*“The growth in the professionalism of the East Timorese journalists over the past three years is incredibly impressive. The basically fair and informed coverage many of them are capable of is a strong indicator of the impact of interventions made by OTI and others here.”*

UN public affairs official

To the extent that one can be optimistic about the democratic nature of governance in East Timor, one has to acknowledge the relative strength of the fledgling media and to credit it with helping facilitate the country's recovery from trauma and progress in installing a popularly elected parliament and president without violence or chaos.<sup>13</sup> It is also necessary to credit OTI with a significant role in allowing the media sector to achieve the level of functionality it has, and its practitioners deserve credit for an impressive growth in professionalism. OTI took the lead when the UN defaulted, undertook important initiatives at critical moments, kept the focus on the underlying objectives, and provided funding adequate to have the desired impact. *OTI also avoided the fundamental error made by other donors of sending would-be journalists abroad for training.* It instead kept the training in East Timor, where more individuals could be reached, and in the process kept the journalists in East Timor where their work facilitated the national transition.

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<sup>13</sup> The violence which wracked Dili after the conclusion of the evaluation team's field work in November 2002 underscores the fragile nature of the ongoing transition in East Timor but does not negate the fact that considerable progress was made during the 1999-2002 period.

OTI's investment in Radio Timor Leste (RTL) is an especially bright chapter. While many fundamental questions about the governance and funding of RTL (and its television counterpart) remain unanswered, the progress to-date is described by well-placed observers as "a major miracle," and the basis for that sentiment was obvious to the evaluation team. Radio broadcasts of news and informational programs are reaching people across the country every day; most programs are available in three languages. A code of ethics for its journalists is evolving. The technical capacity of its staff is steadily growing. Early bridging grants made by OTI kept RTL from shutting down at a time when "its broadcasts made the difference between the collapse or non-collapse of public order in East Timor," in the view of one international observer. OTI took on the challenge of establishing a stable foundation for the broadcast media in East Timor, when the UN failed to engage itself in this arena; it helped the broadcast media to attain at least the possibility of long-term viability.

There were however, missteps made in OTI's approach to the media sector that prevented even more substantial achievements from being realized. The most obvious misstep was OTI's heavy investment in the print consortium. A fair and factually accurate critique of the print consortium experiment exceeds the space allocations of this report,<sup>14</sup> but on balance it was a case of investing heavily in an appealing concept, without adequate technical expertise or appropriate analysis of the prospects for human folly to derail admirable objectives. And, as was often the case in East Timor, OTI assumed more capacity and commitment on the part of UN officials to deliver on commitments than proved justified. The print consortium was described by one informed observer as "a UN created nightmare that OTI invested lots of money in to salvage." It was further described as "a good development model that was in fact a disaster; it never worked as a project." OTI's investment in the print consortium totaled some \$ 169,566.

*"The print consortium project seemed at the time the only way to get newspapers printed. But it should have been some kind of private sector arrangement. The consortium ended up wasting time and money."*

OTI representative

It should be noted that the print consortium project jump started newspaper production—the Timor Post went from printing 200 copies per day to 800-1,000, for example. And once the Neumann evaluation was undertaken, OTI concluded making substantial investments in the consortium.

The early phases of OTI's relationship with InterNews were troubled as well. OTI saw InterNews as slow to get organized and to get good training programs implemented. InterNews officials complained that OTI was unclear in communicating its goals and priorities. The personal dynamics between staff members representing both groups were largely negative. (It is important to underscore the fact that a more positive and supportive relationship characterized the latter phase of the OTI/InterNews relationship in East Timor.)

The shortcomings realized by OTI in the media sector stemmed from two factors, in the view of the evaluation team:

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<sup>14</sup> For details and more background on the print consortium, see A. Lin Neumann's evaluation of January 2001.



- ▶ Interventions in the media sector should have flowed from a well-developed, overarching view of the effort required to achieve the objectives being pursued. Instead, there were too many projects not clearly connected to a strategy. With a more developed strategy, OTI might well have funded fewer media entities, but provided those chosen with more intensive assistance—specifically more technical assistance from international sources. Steps to create viable media organizations are different from measures meant to quickly disseminate information; it is not clear that OTI’s objectives in the media sector allowed for that distinction.
  
- ▶ OTI suffered from not having media expertise prominent among its staff members’ skills. While finding the right media expert for every context is easier said than done, OTI needed someone with an orientation to the media on site from the onset of its taking on a leadership role in the sector, once UN weaknesses were evident. In-house expertise would have allowed a more focused tapping of technical assistance pertinent to getting facilities properly aligned and oriented and staff members appropriately trained. Such expertise might have avoided the costly mistakes surrounding the print consortium experience.

The evaluation team credits OTI with making serious contributions to support and boost the media sector in East Timor and with skillfully using informational programming to stabilize a potentially volatile political environment. Interventions were intelligent and well-chosen. Impact was significant. The team, however, concludes that OTI was lucky more than insightful in achieving the impact that it did. A more holistic approach guided by a professional staff member with the media expertise required to better tap technical assistance and to prioritize opportunities, would have deepened the benefits of OTI’s considerable investment in the sector.

The question of tapping media expertise in East Timor is reflective of the larger issue of the bias against the engagement of international technical assistance within the small grants mechanism utilized in East Timor. The particulars of that issue are beyond the scope of the discussion here, but there seems to be evidence that greater flexibility in terms of securing outside technical assistance would have strengthened the hands of OTI staff members working on the media program. Once the de facto policy loosened, OTI did engage outside experts with good results.

## **C. OTI AND UNTAET**

### **Background**

UNTAET was the United Nations Transitional Authority in East Timor. Its authority stemmed from the multinational accords that led to the Popular Consultation of August 1999—the referendum on East Timor’s status as an independent nation or autonomous entity within the Republic of Indonesia. In June of 1998, bowing to international pressure and ongoing internal dissent, Indonesia proposed limited autonomy for East Timor. The governments of Portugal and Indonesia entrusted the UN Secretary-General with organizing and conducting the referendum to ascertain whether the East Timorese people would accept or reject special autonomous status.

To facilitate the consultation, the Security Council established—the United Nations Mission to East Timor (UNAMET) in June 1999. Agreements reached stipulated that following the vote, UNAMET would oversee a transition period pending implementation of the decision of the East

Timorese people. On voting day, 30 August 1999, some 98 per cent of registered voters went to the polls and by a margin of 78.5 percent opted to reject the proposed autonomy and to begin a process of transition toward independence. That vote triggered the violent reaction of the Indonesian military and allied militia discussed above.

On 19 October 1999, the Indonesian People's Consultative Assembly formally recognized the result of the Popular Consultation. Shortly thereafter, the United Nations Security Council established the United Nations Transitional Administration in East Timor—UNTAET—as an integrated, multidimensional peacekeeping operation fully responsible for the administration of East Timor during its transition to independence.

Security Council Resolution 1272 mandated UNTAET “to provide security and maintain law and order throughout East Timor; to establish an effective administration; to assist in the development of civil and social services; to ensure the coordination and delivery of humanitarian assistance, rehabilitation of humanitarian assistance, rehabilitation and development assistance; to support capacity-building for self-government; and to assist in the establishment of conditions for sustainable development.”

UNTAET consisted of a governance and public administration component, a civilian police component of up to 1,640 officers and an armed United Nations peacekeeping force equivalent in size to INTERFET. In addition, humanitarian assistance and emergency rehabilitation components were incorporated within its structures, as were 200 military observers.

UNTAET operated as the supreme governing authority in East Timor from its creation through the formal transition to independence in May of 2002. It is necessary to be aware of the absolute legislative and executive powers enjoyed by UNTAET’s head—the Special Representative of the Secretary-General during the transitional period, in order to understand the role played both the UN and OTI in East Timor.<sup>15</sup>

### **OTI Engagement**

As the UNTAET mission established itself in East Timor, numerous UN personnel projected a highly visible presence across the country, distinguished by their large white vehicles, radios, cell phones, air conditioners, office equipment and all of the miscellaneous support goods and services necessary to establish a central governing entity in Dili, and administrative structures in the country’s thirteen provinces. The high profile struck by the UN created unrealized expectations on the part of the East Timorese clamoring to rebuild the country. Those expectations soon degenerated into increasingly hostile reactions as local residents witnessed the UN investing vast resources into erecting their own administrative structures and reinforcing comfort zones for staff personnel, but delivering not much of value to the rehabilitation of the infrastructure or the economy. In fact, although operational funding support was available for the establishment of the UN missions, program funds would not be available for some months. One UN official commented: “We in the UN had no resources and thus could do nothing to make things happen.”

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<sup>15</sup> See “Building State Failure in East Timor” by Jarat Chopra (Blackwell Publishers, Oxford, UK) for an insightful discussion on the unprecedented role played by the United Nations during the international administration of the country.

Local residents grew increasingly frustrated as they saw few resources flowing into their communities. In some districts, international civil servants faced angry

*“You guys saved us from being lynched.”*

UNTAET official referring to OTI’s TEP program

crowds of anxious farmers demanding employment in the rebuilding effort. It was at this juncture—in the early weeks of 2000—as tensions were rising, that OTI intervened with the provision of program funding for projects to be implemented by the UNTAET district administrators. Most immediately, the TEP (Temporary Employment Program, discussed above) was expanded into the districts—the first real signal that the international community was in fact going to deliver something of value to the people of East Timor.

Tapping the UNTAET district administrators to implement TEP gave OTI the means of reaching all areas of the country—though it must be noted that not all district administrators were equally skilled at utilizing the resources provided.<sup>16</sup> It proved to be a creative and expedient way to get sorely needed public works projects underway, while employing local residents and providing a quick cash infusion into the rural economy.

Most critically, OTI’s routing of programmatic funding through UNTAET’s district administrators gave them legitimacy in the eyes of the local people. At last, the UN was seen as contributing resources for the rehabilitation of the country. Without this strengthened perception of legitimacy, it is hard to see how the transitional process could have worked.

*“OTI was very impressive at quickly funding urgent projects while we at the UN were immobile. OTI got the money out to the districts and this was terribly important at the time.”*

UN official

A current member of the East Timorese parliament and a former staff member working with one of the UNTAET district administrators, spoke highly of the TEP program, indicating that community members generated proposals for project funding, worked with OTI representatives to clarify various elements, then quickly tapped the funding available. Included were market clean up, clean water and access road projects. This official volunteered that all of the people in her community knew that the UNTAET funding came from the U.S. Government. One highly symbolic project employed youth groups to power wash and paint Dili Cathedral.

Referring to the TEP initiative, a senior representative of a European aid agency remarked that “the UN had considerable difficulty in getting program funds to the district level. OTI gave UNTAET movement and visibility.”

Beyond TEP, a variety of smaller OTI grants to UNTAET allowed the UN to maintain its new-found legitimacy. Illustrative examples include:

- ▶ The first East Timor NGO Forum workshop was convened in Dili, December 1999.
- ▶ OTI support allowed East Timor’s senior mapping and surveying expert to participate in technical meetings regarding the demarcation of the border with Indonesia.

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<sup>16</sup> Indeed, the evaluation team was told that some district administrators had such a limited view of the developmental needs of the local population that they “used the money to paint the monuments the Portuguese had built to honor themselves.”

- ▶ Grants provided equipment—vehicles and computers and other equipment—for East Timor’s newly established serious crimes unit.

## Analysis and Conclusions

OTI’s timely intervention to boost the legitimacy of UNTAET’s district administrators and to get funds moving into the countryside was among the more significant operational decisions it made in East Timor. Overnight, the district administrators were provided the resources to complement their authority, and status as *de facto* regional governors. The small public works projects organized allowed people to be engaged in rebuilding their communities and, equally significant, *gave idle people something to do*. Many of the projects were developed and initiated at the local level to respond to perceived needs. By getting the program funds moving, OTI helped stabilize the political situation, gave the district administrators credibility, repaired market buildings and schools, improved the water supply, opened roads and allowed people to work together. People were given a solid and positive view of the international presence in their ravaged country.

The words of a former OTI representative central to the implementation of the TEP program accurately portray the strategic nature of the intervention: “Our ultimate aim was more political than economic; our interventions were a time-buying exercise for both East Timor and the United Nations. We provided more positive visibility for the UN.” The evaluation team concurs with this assessment and sees it as reflective of the political savvy repeatedly demonstrated by OTI representatives—key to their ability to have marked and discernable impact in the country over the entire three year stint.

Indicative of the sensitivities consistently demonstrated by OTI staff members in East Timor, the process of making project funds available to UNTAET officials was done without generating much apparent institutional rivalry. “Resentment? No, all of us at the UN greatly appreciated OTI,” an UNTAET political officer told the evaluation team.

As indicated above, some UNTAET district administrators were more imaginative and skilled at utilizing the OTI funds than others. That fact does not diminish the evaluation team’s finding that the OTI intervention to bolster the district administrator system at this point was crucial for the viability of the UN in East Timor. The shortcomings of the UN in the country were necessarily referenced at several points in this report, but are obviously beyond the scope of the evaluation; notwithstanding, it was in everyone’s interest for the UN to be strengthened and seen as a legitimate administrator during the difficult transitional period. OTI contributed significantly to that objective.

*“OTI was the first player to deliver ‘seeable’ inputs and this helped defuse the tense situation. Putting people to work was the most important task. OTI demonstrated action while the UN, World Bank and others were organizing. Job creation, while not a normal OTI approach, was a decidedly justified exception.”*

OTI representative

## D. OTI AND OTHER DONORS

### Background

The events of 1999 brought not only UNTAET and OTI to East Timor to assist with the recovery and the nation building challenges facing the new country, but also a significant number of donor governments prepared to invest relatively large sums in the effort. Whether or not guilt was a motivating factor in the rallying of support for East Timor, there was an early commitment of substantial resources made by donors that has been honored and continued through the present. Parallel to the \$75 million Congressional appropriation for East Timor, the Japanese government pledged some \$60 million in assistance via the UNDP. Major bilateral donors beyond the U.S. and Japan include the United Kingdom, Australia, Portugal, Sweden, Norway, New Zealand, Finland and Ireland; substantial amounts are being provided through the UNDP and the World Bank trust funds by these and other donors, including the European Union. The Australians are likely to emerge as the lead donor in East Timor over the next few years.

Even given the staggering level of need faced in East Timor, some donor agency officials today warn of political pressures leading to the influx of more money than the country's absorptive capacity can justify. The problem for East Timor has not been galvanizing donor support, but channeling that support in optimal directions. "Too many donors are chasing a handful of capable East Timorese project administrators," one well-placed observer commented.

*"There has been incredible donor support for East Timor—support way out of proportion to the population. There is little awareness within the government of the special status enjoyed by the country."*

World Bank official

### OTI Engagement

OTI's approach to its mission in East Timor incorporated ongoing engagement of other donors in joint and/or complementary project support. In the early phases of the East Timor recovery efforts, OTI and DFID<sup>17</sup>, the British aid agency, were alone in their ability to quickly disburse funds to NGOs or other entities to get projects moving. DFID never erected a project implementation structure comparable to OTI's, but instead used a skeleton staff to support various activities through resource transfers. Both agencies worked effectively to shore-up the credibility of UNTAET's operations and followed largely cooperative agendas.

Beyond its support to the UN agencies, OTI's record was punctuated by the co-funding of various initiatives with other donors. In some cases, it appeared that OTI acted as a catalytic agent, spurring donors to take initiatives. OTI's proactive stance on the human rights training for police officers described above, for example, led to Portuguese engagement on the issue. The UNDP, UNESCO, and the governments of Japan and Australia joined OTI in sponsoring critical training for journalists. Multiple examples paint a picture of donor cooperation which was not wholly expected.

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<sup>17</sup> DFID is the Department for International Development, an arm of the British Foreign Ministry.

## Analysis and Conclusions

Striking to the evaluation team was the near total lack of resentment discernable among officials representing other donors over OTI's high profile in East Timor. OTI enjoyed more popularity than the UN and most other donors with the Timorese government and people. Instead of resentment, there was broad praise for the role that OTI played—even if particular projects or activities received lukewarm endorsements. Illustratively, the team was told by senior World Bank officials that coordinating activities with USAID and OTI in East Timor was more efficient than was the case with other donors.

OTI managed to remain actively engaged with all of the major donors in East Timor, without being drawn into some of the time-consuming traps of donor coordination. "OTI did not waste money on silly seminars like other donors. There was way too much of that. OTI didn't do conferences; it followed more rigid standards," remarked one well-placed observer.

*"OTI put in a lot here. Many activities do not yield measurable impact. There certainly was impact, however. East Timor would be a different place today without OTI's impact."*

Senior member, diplomatic corps

It is the conclusion of the evaluation team that OTI's ability to coordinate and work with other donors in East Timor led to measurable leveraging of USAID resources and somewhat enhanced overall donor effectiveness there. It did so without any authority or mandate to do so, of course, but by example and through the strong leadership skills displayed by its staff. This point should not be over interpreted—donor coordination was not a major facet of the evaluation and the impact of other donor programs was beyond its scope of work—but the conclusion is inescapable and thus noted. OTI ended its three year stint in East Timor with discernable good will and appreciation from multiple actors playing key roles during the same period.

## E. OTI AND THE GOVERNMENT OF EAST TIMOR

### Background

During the transitional period, the United Nations Transitional Authority for East Timor was both *de facto* and *de jure* government of the country. The Special Representative of the Secretary-General, Sergio Vieira de Mello, served as Head of State and exercised absolute authority over its administration. During the early months of the transition, the CNRT (National Council of Timorese Resistance) served as official representatives of the East Timorese people and liaised with UNTAET in the administration of the new country. UN personnel, however, discharged virtually all governmental functions, from road repair to district administration, from running the postal service to providing traffic police. The East Timor Transitional Authority (ETTA) eventually formed the skeleton of a new civil service and gradually assumed more functional positions (now as the East Timor Public Administration), particularly at the local government level—as UN personnel moved into advisory positions.

When the Constituent Assembly elections were held in August 2001, the East Timorese people selected a body of eighty-eight representatives charged with the drafting of a constitution—an exercise undertaken in consultation with local communities. The Draft Constitution was formally promulgated in February 2002, and the Constituent Assembly converted itself into the

nation's first Parliament, and called for presidential elections to be conducted in April 2002. The presidential election was successfully held, and on May 20 East Timor became an independent nation recognized by the UN and the international community, as the first nation of the 21<sup>st</sup> century.

## **OTI Engagement**

During the entire 1999-2002 transition, OTI was centrally involved in efforts to enhance the policy formulation and program implementation skills of various players slated to assume the mantle of government upon independence. The objective was to both provide the resources required to erect governmental structures, and to engage East Timorese officials in the process of public policy formulation and program implementation. While OTI was proactive in assisting these officials to determine priorities, it remained largely flexible and responsive to their articulation of need. OTI support for the government-in-waiting adapted to the changes over time. Illustratively, the initial pilot stage of the TEP grants were made through UNTAET district administrators, but TEPS II (Transitional Engagement for Population Support, described above) grants were primarily administered by East Timorese under the ETTA.

The evaluation team surveyed the OTI database to identify a random sample of grants meant to boost the capacity of the new government. That sample, while not comprehensive, offers a view of the range and the breadth of activities supported. The largest share of funding was for relatively major grants to UNTAET, and then ETTA, to implement the TEP and TEPS II projects. Grants were also made:

- ▶ For training sessions conducted by the National Commission for Civic Education;
- ▶ To deepen the technical expertise required to efficiently exploit the country's critical oil and gas assets and negotiate related oceanic areas of control with Australia through the Timor Sea Office;
- ▶ To coordinate community development initiatives through the Administration for Local Government Development;
- ▶ For basic equipment and translation services through the Serious Crimes Investigation Unit;
- ▶ For rehabilitation of the main building at the National University;
- ▶ To refurbish the Agriculture Department's field offices;
- ▶ To provide transportation for all political parties so that they could campaign in each of the country's districts during the pre-election period;
- ▶ To assist the Central Payment Office in its public information campaign to help people adjust to the conversion to U.S. dollars as the national currency;
- ▶ For technical services related to the demarcation of the East Timor/Indonesia border and determination of maritime boundaries;

- ▶ To secure office equipment for prosecutors, courts and public defenders; and
- ▶ For administrative training for staff officials working in the newly established Office of the President and for members of the new Parliament.

Most grants were classified under the crosscutting themes of rule of law, governance, or community stabilization. Viewed as a whole, the grants were progressively more complex and sophisticated, as they responded to the deepening engagement of the officials working to construct the new government.

Of particular importance was OTI's contribution of technical assistance during the process of drafting the National Development Plan. Consultants contracted by OTI were instrumental in pulling together the Plan itself and OTI support allowed for the widespread distribution of the document by the National Development Planning Board.

### **Analysis and Conclusions**

The task of defining and creating a government in East Timor was a daunting challenge that remains a work in progress. As referenced above, there were virtually no building blocks from which to start. The East Timorese people had scant engagement in the governance of their country during the long colonial era, and perhaps less during the Indonesian occupation. The central role of guiding local officials striving to forge the new government was one assigned to the United Nations. The successes and shortcomings of the UN in East Timor are of course subject to debate, but it is obvious that considerable progress was made during the transitional period: peaceful elections were held, independence was achieved, a functional government erected.

OTI played a critical but supporting role in the process. There was (rightfully so) more emphasis on encouraging a vibrant civil society and an independent news media in the new nation, than on improving governmental structures. Yet many of the interventions taken by OTI to build the skills and assets of governmental units were judged by the evaluation team as having strategic value and impact. A telling example of utilizing OTI's grant making mechanism for long-term benefit is seen in its swift response to a request from government officials for technical assistance to properly store and utilize an invaluable series of satellite maps made available by the Australian government. OTI's quick action jump-started the government's entire land use policy formulation process and allowed them to benefit from the Australian offer of the satellite images key to its comprehensiveness.

The proactive stance taken by OTI in funding human rights training for the new East Timorese police force additionally serves as an example of a strategic intervention with potential for long-term impact. UN officials working in the human rights field credit OTI with moving on the training front at a critical juncture, and indicate that without concerted effort by OTI such training would not have occurred prior to independence. Given the example of policing provided by the Indonesian occupiers, the potentially negative consequences of not pressing this initiative are somewhat easy to project.

Government of East Timor representatives seem generally aware and appreciative of OTI's contributions to their operations. Officials at the Ministry of Planning offer considerable praise



for the assistance provided, as they struggled to formulate a national development plan; they speak more broadly of OTI's role in "helping us get into the driver's seat" in their nation-building exercise. Officials in the Timor Sea Office cite OTI support in building in-house expertise, as a factor in keeping them independent of multinational oil corporations—as oil and gas options, which were absolutely critical to the economic future of the country—were being negotiated. (It should be emphasized here that government officials credit USAID with the assistance received; some speak of OTI, but most references are to USAID.)

The lack of skilled staff will cripple the efficient operation of most entities within the Government of East Timor for several years into the future. The justice system, in particular, will require intensive and sustained assistance from the donor community, if rule of law is to stabilize and flourish. Much remains to be done. But those challenges are beyond the mandate of OTI. What seems beyond challenge is the conclusion that OTI's support to the emerging government was a series of strategic, intelligently conceived and timely interventions that enabled the government to commence operations upon realization of independence. The work is not done, but the USAID program and other providers of assistance to East Timor have a starting platform from which to build, due to the impact achieved.

## **F. OTI AND THE CIVILIAN/MILITARY RELATIONSHIP QUESTION**

### **Background**

East Timorese orientation to the role of the national military in public life was of course shaped almost entirely by the prominence of Falintil in the resistance to Indonesian rule. Falintil and its leader, Xanana Gusmão, were and are national icons enjoying near universal devotion. Many citizens were angered by the dismemberment of Falintil and the creation of a new army, as there is considerable emotion surrounding Falintil's legacy and the way in which its soldiers and supporters are to be recognized in the new order taking shape in the country.

East Timorese citizens who remained in the country during the Indonesian occupation certainly witnessed little evidence of civilian control over the military; and those in the diaspora who resided in Portugal or in its other former colonies would have encountered relatively tepid indicators of the principle being implemented. Critical to the UN administration of East Timor and to the broader international effort to assist in facilitating the national transition, however, was the objective of enshrining the concept of civilian control over the military. The requirement was to preclude the early acceptance of the idea that the military was exempt from the rule of law and of an Indonesian model of the role played by the military in the political affairs of a country.

### **OTI Engagement**

OTI saw the civilian/military relationship question as a component of its broader rule of law focus in East Timor and as interlinked with efforts to address the justice system, the reintegration of veterans and national reconciliation in general. Responding to pressure from various sources, its leadership concluded in early 2001 that it had to become directly engaged on the issue, but also that in-house expertise to do so was not available. This conclusion led to the tapping of NDI (the National Democratic Institute) to implement various activities.

Cooperating with the World Bank, OTI also funded activities associated with the veterans reinsertion program implemented by IOM (see discussion of the FRAP program below). That effort incorporated the establishment of photographic archives and the recording of the oral history of individuals affected by the resistance movement. OTI's intent was to help the East Timorese resolve one of the thorniest problems facing their society—the treatment of the resistance fighters who had helped win the nation's independence—through complementary though divergent initiatives.

NDI convened a series of seminars in which topics such as the formulation of the military budget, models for the military's operations within a democracy, the rights and responsibilities of veterans and the like were explored. NDI also sponsored public discussion on topics related to civilian-military relations and addressed the topic by working civilian oversight of the military themes into its civic education programs. Illustrative of the effort, the inaugural seminar featured presentations by a retired general and prominent military reformer from Thailand and by representatives of East Timor's police and defense forces and the Constituent Assembly. The session enjoyed the participation of the diplomatic community, East Timorese military and police officers, the media and the public.

OTI loosely coordinated its efforts with the U.S. military, represented in East Timor through the IMET (International Military Education and Training) program, and worked closely with the British embassy on common approaches to the overall civilian/military relationship issue.

## **Analysis and Conclusions**

According to one OTI representative familiar with initiatives on the civilian/military issue, “OTI achieved about the best we could have hoped for under the circumstances.” That view is reflective of the evaluation team's view as well. The proactive stance taken by OTI in advancing an important issue was appropriate and consistent with OTI's objectives and overall approach in the country. The seminars and other activities were well received and seemingly had impact in terms of having the basic concept of civilian control over the military enter the consciousness of at least some military officers.

The larger truth, however, would seem to be that in the absence of a more coherent structure in which to address this issue, substantial impact could not realistically be expected. And there was little structure to provide context for OTI efforts in this sphere. There has been minimal engagement between UN peacekeepers and the East Timorese military on the topic. There is no code of conduct for soldiers in the country, and this has led to several potentially violent confrontations between the military and police units. There is scant evidence that the Government of East Timor places much priority on the topic. The government, in fact, has failed to put together an impressive civilian command structure for the military. The government's emphasis is on getting the donor community to provide it with infrastructure, and not on erecting sound institutions that will serve the nation into the future.

Military officers in East Timor are selected by non-transparent means that are not necessarily connected to merit. Loyalties are more personal than organizational within the military. Senior government officials are resistant to donor pressure to both make the system more transparent and to focus more on institutional structure and relationships.

OTI's efforts to address the civilian/military relationship were sound and are to be commended. It is not possible, however, to conclude that the overall objective which has prompted those efforts, has advanced noticeably.

## **G. OTI AND THE DECOMMISSIONED SOLDIERS OF FALINTIL**

### **Background**

Following the invasion by Indonesian military forces in 1975, broad resistance from the East Timorese commenced immediately and flared continually for twenty-four years. The resistance movement itself evolved into distinct components: internal clandestine operators, armed fighters known as Falintil, and *de facto* diplomats focusing on external recognition and support. By 1999, thousands of individuals had played various roles—sustained or short-term, formal or less conspicuous—in galvanizing opposition to the Indonesian administration.

With the arrival of INTERFET, the multinational military force headed by the Australians, in late September 1999 and the departure of Indonesian troops—the Falintil leadership struck an agreement with the UN to move all active duty troops into a single cantonment, until such time as a new national army could be formed. It was not until February 2001 that 650 troops were selected from among the roughly 1,900 former guerrillas to join the newly forged East Timor Defense Force (ETDF).

During this transitional period, the International Organization for Migration (OIM) formulated a plan to implement a two-phase program of needs assessment and reintegration support and services to Falintil's ex-combatants—clearly the most significant element of the former opposition requiring special assistance and attention. The importance of this initiative centered on the fact that nearly two thousands armed or formerly armed combatants with high expectations for their place in the newly independent country, were stuck in dreary camps without adequate resources or credible prospects for employment. It is a measure of the discipline of Falintil commanders that troops remained in cantonment, restricted in their movement and enduring harsh conditions, for over a year with few incidents, while plans for the creation of a new national army emerged and international support for its creation was secured.

The point of the intervention was to counter the potential upheaval that these former soldiers represented, acknowledging their role in securing the independence of the new nation.

The Falintil Reinsertion Assistance Program (FRAP) was developed to assist the social and economic reintegration of the 1,308 members from the guerilla force which had not been selected to join the newly established East Timorese Defense Forces. The beneficiaries were those Falintil veterans who were either not chosen, or those who chose not to join the ETDF. IOM conducted a socio-economic survey of all Falintil in December 2000. Registration began in January 2001; implementation commenced in February 2001, and was concluded in December 2001. Services and benefits provided to beneficiaries included transport to their host communities, a transitional safety net consisting of a \$500 salary subsidy provided over a five month period, a reintegration package or income generating activity, training, and job and medical referrals. Beneficiaries submitted proposals for projects and activities to commence income-generating activities via farming, small businesses, or vocational training.

## **OTI Engagement**

OTI provided considerable funding for the FRAP over a three year period: \$74,333 in 2000; \$100,123 in 2001; and \$114,963 in 2001. Additional support, including contributions from the World Bank and the Government of Japan, brought FRAP's total to approximately \$2,000,000. Additionally, OTI, as the major funder, served on the FRAP steering committee, known as the Commission for the Reinsertion of Falintil Veterans (CRFV).

An external evaluation conducted in March 2002 to assess the program's contribution to the reintegration of the 1,308 former combatants, concluded that "FRAP provided responsiveness and viable options at a time when there was a considerable, credible and growing threat for potential violence...during its implementation, FRAP continued to provide a point of contact, benefits and options that generated externalities favoring stability and security."

Separate from the evaluation, OIM personnel reported appreciation of a close and cooperative working relationship with OTI, and senior representatives of both organizations portray the intervention as successful. OIM officials credit this success with the process by which veterans received support. Although the monthly stipend of \$100 for five months was uniform, beneficiaries developed diverse plans for projects to reintegrate themselves economically into their communities. Proposals were drawn up, budgets planned and reviewed by OIM officers in the field, and grants were made in support of small animal husbandry schemes, carpentry workshops, market stalls, and many small shops.

## **Analysis and Conclusions**

The FRAP program provided timely and appropriate benefits to a relatively small number of Falintil participants, *i.e.*, only those active duty soldiers present in the Aileu cantonment in 1999. It did, however, provide assistance to the most volatile elements of Falintil and it did so at the critical juncture. FRAP is frequently cited as an example of OTI's timely response to critical problems in East Timor, and the evaluation team concurs with this conclusion. OTI's strong supporting role in FRAP also illustrates its ability to foster effective cooperation among donors, officials of the government-in-waiting and an implementing NGO. It was a highly visible, finite and easy-to-measure undertaking, unlike more challenging and complex OTI programs, in developing civil society and democratic institutions.

OIM officials report there are presently some 35,000 self-identified veterans in East Timor, not including widows and orphans, who clearly expect benefits, compensation, or at least recognition of their sacrifice. That is, there are 35,000 individuals, many with families, not covered by the FRAP project, who believe that they too merit special assistance. The potential for future tension or even disruption in society centering around this population is real. And, it has to be stated, the visible success of the FRAP program may have had the unintended consequence of raising expectations of a government response to what one diplomat in Dili called "a social security issue."

Ongoing volatility in East Timor—the Dili rioting of December 2002 is intertwined with former combatants issues—does not detract from the success of the FRAP program, nor of OTI's strong support for an obviously necessary initiative. The effort was critical in addressing a matter of significant importance; OTI's prompt and considerable funding to support it was central to its

impact. OTI's contribution to FRAP is seen by the evaluation team as an example of key program objectives having been furthered by intelligent analysis and prompt action on the part of its representatives.

## **PART FOUR: LOOKING AHEAD//LESSONS LEARNED**

Observations and conclusions from a detailed analysis of any program as complex as the OTI operation in East Timor inevitably lend themselves to being labeled *lessons learned*. It was of course the intent of the OTI leadership to obtain from this evaluation an analysis and guidance that can be utilized to sharpen the focus and deepen the impact of future programs. The evaluation team offers these findings to OTI for consideration:

- ▶ The early phase of operations in East Timor sharply profile OTI's advantages as an organization. OTI filled gaps, bought time, averted an escalation of communal tensions, provided the means for the engagement of a host of players, bolstered fragile new structures. The attitude demonstrated by OTI representatives in East Timor was right on the mark and demonstrated that concrete steps could be taken to address the chaos and turmoil. Sending people to the field with the political savvy required to see and seize such opportunities is central to operations likely to see early impact.
- ▶ The flexibility and speed of OTI's response to unanticipated needs and problems in East Timor was considerably assisted through the contracting mechanism which allowed DAI's central engagement. The effective integration of OTI and DAI contract staff in East Timor contributed directly to establishing USAID as a major player and to ensuring that funds and other resources were programmed efficiently. This model can be replicated anywhere.
- ▶ The deviation from normal USAID criteria that had been followed by OTI in East Timor, allowed for the processing of larger grants to governmental agencies and international NGOs—which was essential, given the serious capacity constraints of local NGOs. In a non-presence country, this is an invaluable tool to program managers.
- ▶ Caution has to be exercised to avoid both overestimating what can be done simply by investing resources (or by investing resources quickly). Offstage pressure to move too much money too quickly can undermine impact. Considerable good was done in the NGO and media sectors by OTI in East Timor; it seems clear, however, that if the selection process had been more vigorous and if capacity building had been emphasized sooner, more could have been achieved. Interventions undertaken outside a sound analytical framework are less likely to deliver on objectives.
- ▶ Likewise, care has to be exercised before large investments are made in spheres beyond the expertise and managerial capacity of the OTI staff. The NGO and media programs in East Timor arguably would have had benefited from the earlier provision of technical assistance from international entities, while the TEPS II and BELE programs were weakened by the lack of OTI field presence to keep projects on track. Some NGOs in East Timor maintain that OTI's slackness in setting firm criteria for grant applications allowed phantom NGOs to secure funds, and thus to give legitimate groups a black eye in the local community.

- ▶ OTI's already strong record of achievement in East Timor would most likely be even more impressive, had its efforts and its grants focused on fewer organizations and had there been greater emphasis on capacity building and less on commodity provision.
- ▶ OTI's well-placed faith in civil society and in NGOs should not allow it to overlook opportunities to support local government structures through training and technical assistance inputs.
- ▶ The management of the OTI program worked well in East Timor, due more to the trust and mutual respect of a dedicated core of individuals with long-standing investments in the situation than to a coherent administrative structure. More explicit planning on how to support OTI staff in non-presence countries would be highly advisable.
- ▶ There is likely to be a necessary tension between speed and responsiveness to political imperatives versus programmatic thoroughness in all OTI operation, as was seen in East Timor. Again, great skill is required in fielding personnel capable of keeping these demands in balance.
- ▶ One element of the OTI program in East Timor that worked well was its interaction with the nascent government of the new country. OTI representatives clearly invested the time and effort required to allow often inexperienced officials to articulate need and preferred approach; OTI met these officials at their level of expertise. The time, effort and supervision required to manage grants to governmental entities was significant, but produced important results.
- ▶ A recurrent trap encountered by OTI in East Timor was the assumption that UNTAET and various UN agencies were going to deliver on stated or implied commitments to the transitional process. OTI repeatedly had to reconfigure strategies, as the UN either failed to engage in various sectors at all, or was so ineffectual that more focused interventions were required. Assumptions about UN agency effectiveness have to be tested on a situation-specific basis.
- ▶ OTI operated with significant advantages (*i.e.*, contracting, procurement and grant-making mechanisms) not enjoyed by UN agencies, other donors, or even by other U.S. Government entities in East Timor. The prospects of generating resentment on the part of other key players were serious; but resentment was avoided. OTI staff in other locations would do well to display the attitude of cooperation and inclusiveness which was a hallmark of its presence in East Timor.
- ▶ The small grants mechanism employed by OTI in East Timor affords many advantages, but also demonstrates constraints—particularly related to the overall objectives of civil society. The program in East Timor would likely have benefited from the engagement of an international entity with expertise in civil society institutional strengthening. OTI must retain access to a variety of mechanisms to ensure quality and appropriate funding.
- ▶ OTI should deepen its economic recovery expertise, through external consultants, to avoid repeating weakly conceptualized initiatives bound to fall short of objectives and desired impact.

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## ANNEX A

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USAID Evaluation Brief #1: The Role of Transition Assistance: The Case of East Timor, September 2002, USAID/OTI-East Timor, DAI, Dili, 2002

USAID/Indonesia Transition Strategy for USAID Assistance to East Timor: FY 2001 - 2004, USAID/OTI- East Timor, DAI, Dili, 2001, 26 pp text + 26 pp annex

USAID Office of Transition Initiatives: Guide to Program Options in Conflict-prone Settings, DAI, Dili, September 2002, 43 pp

USAID/OTI East Timor Economic Recovery Program, DAI, Dili, 2 p, fact sheet

USAID/OTI Rule of Law Program May 2002, DAI, Dili, 2002, 1 p, fact sheet

USAID/BHR/OTI-EastTimor: TEP Evaluation Summary, DAI, Dili, , 2 pp

USAID/Indonesia Transition Strategy for USAID Assistance to East Timor, FY 2001-FY2004, USAID, Jakarta, May 2001, 26 pp

Cressida Slote. *Guide to Performance Management*, USAID/OTI June 2002

USAID/OTI Monthly Field Reports January 15, 2000-August 2002, DAI, Dili, 2002

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## ANNEX B

### LIST OF INTERVIEWED INDIVIDUALS

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#### **USAID/Washington**

Cressida Slote, OTI  
Mary Stewart, OTI  
Chris O'Donnell, OTI  
Jean Durette, Sudan Desk Officer  
David Taylor, Director, OTI  
David Schroder, East Timor Desk Officer

#### **USAID/Jakarta**

Robert Dakan, National Cooperative Business Association Coffee Project  
James Lehman, East Timor Program Officer  
Justin Sherman, OTI/Indonesia (former OTI representative, East Timor)

#### **USAID/Dili**

Nicole Seibel, Democracy and Governance Officer, East Timor  
Nina Bowen, former OTI representative, East Timor

#### **Development Alternatives International/Bethesda**

Bruce Spake, Principal Development Specialist  
Erika Kirwen, Project Director, NGO Small Grants Program

#### **Development Alternatives International/East Timor**

Nicholas Hobgood, Chief of Party  
Bryn Johnson, Deputy Chief of Party  
Getahun Reta, former Chief of Party  
Edie Bowles, Rule of Law and Media Program Coordinator  
João Noronha, Monitoring and Evaluation Officer  
Filipe da Costa, Economic Governance Program Assistant  
Reginaldo Francisco, Logistics Supervisor  
Expedito Belo, Media Program Assistant  
Sherwin Reyes, Finance Supervisor  
Vicente Reyes, Grants Manager  
Cristina Freitas, Grants Manager  
Nelson Goncalves, Rule of Law Program Officer  
Ted Lawrence, Media Officer  
Antonio Dias Marcal Gusmão, Administrative Coordinator  
Milissa Day, Economic Recovery Officer

### **U.S. Government Representatives**

Shari Villarosa, Charge d'affaires, American Embassy  
Diego Hay, Director, Peace Corps

### **Diplomatic Community**

Hamish St. Clair Daniel, MBE, Ambassador of the United Kingdom to East Timor

### **Donor Government Representatives**

Fionnuala Gilsonan, Representative, IrishAide  
Shoji Katsuo, Japanese International Cooperation Agency  
Teruyoshi Kumashiro, Director South East Asia Division, Japanese International Cooperation Agency

### **The World Bank**

Elisabeth Huybens, Country Manager

### **United Nations**

Haoliang Xu, Senior Deputy Resident Representative, United Nations Development Programme  
W. Gary Gray, Chief, Political Affairs, United Nations Mission in Support of East Timor  
Brennon Jones, Official Spokesperson, Office of the Special Representative of the Secretary-General  
Jose Vendito, Media Program Officer, UNMISSET  
Timothy Hudner, Political Officer, UNMISSET  
Richard Bennett, Deputy Director, Human Rights Unit, UNMISSET  
Jim Coy, Human Rights Unit, UNMISSET

### **Government of East Timor**

Maria Paixao, Member of Parliament  
Arsenio Bano, Ministry of Labor and Solidarity  
Emilia Pires, Head, Donor Coordination Unit, Ministry of National Planning  
Pedro X. De Sousa, Ministry of Land and Property  
Domingos Sarmiento, Vice Minister, Ministry of Justice  
Saturnino Exposto Babo, Deputy District Administrator, Ermera District  
Francesco Marcus, District Administrator, Oecussi  
Pedro X de Sousa, Head of Survey Division, Land and Property Office  
Arsenio Paixao Bano, Secretary of State for Labour and Solidarity

### **Media Entities**

Gregory Kintz, Foundation HIRONDELLE  
Aderito Hugo, East Timor Print Consortium

### **Nongovernmental Organizations/East Timor (Dili)**

Cecilio Caminha Freitas, Executive Director, East Timor Nacional NGO Forum  
Jose Luis, Yayasan HAK  
Lyndal Barry, Country Director, Internews  
Barbara Smith, Resident Program Director, International Republican Institute  
Steven Moore, Resident Program Officer, International Republican Institute  
Charles Scheiner, La-o Hamutuk (East Timor Institute for Reconstruction  
Monitoring and Analysis  
Jamieson Davies, Country Representative, Catholic Relief Services  
Jim Della-Giacoma, Resident Representative, National Democratic Institute  
Malcolm Prowse, National Vice President, United Nations Association of Australia  
William Collins, Program Director, The Asia Foundation  
Steve Beeby, Interim Program Director, The Asia Foundation  
A. Lin Neumann, Media Consultant, The Asia Foundation  
Luiz Viera, Chief of Mission, International Organization for Migration  
Liz Garret, Program Office, the International Organization for Migration

### **Peace Corps Volunteers**

Jason Stowe, Gleno, Ermera District

### **District Grantees and NGO Representatives**

#### ***Oecussi District:***

Liliana Hei and Martha Was, Coordinators, Centro Feto, Ambeno  
Adelina Hanjam, Martha Sequira, Elisa do Rosario, Imelda Tuto and Rosa Sasi, Facilitators,  
Organissao Feto Hasoru Analfabeto, Ambeno  
Jose Tacaе, Human Rights Coordinator, FFSO, Ambeno

#### ***Liquica District:***

Paulinho Francisco, Cooperativa DUSTRA (carpentry co-op grantee)  
Office Assistant, Women=s Association, Liquica  
UN Police Officers, Liquicia

#### ***Aileu District:***

Maria Immaculata Abrantes Carrierra, Diretos Humanos, NUCLEO  
Sister Nora, Maryknoll Sisters, the Esperanca Moris sewing group

Sister Dorothy, Maryknoll Sisters  
Susan Gubbins, Maryknoll Sisters, clinic, school, carpentry cooperative  
Celso E. Dos Santos, District Representative, World Vision  
Fernando da Silva, Coordinator of Agricultural Programs, World Vision  
Farmers/laborers engaged in road repair under TEP

#### ***Baucau District:***

Jose d=oro Rosario, market rehabilitation project, Manatuto  
Headmaster/teacher/students, Manatuto High School

Farmers group/villagers engaged in rice mill project area  
Nixon Lemos, Matacoy Design, and apprentices, Baucau City  
Alfonso d'Oliveira, Catholic Relief Services, Baucau City  
Mario Aslo, Chefe do Suco, Trilolo Village  
Angelo Fraga, Circulation, Timor Post, Baucau  
Joao Basiro, Timor Post, Baucau  
Odette Belo, Finance Manager, CARITAS Baucau  
Mariano Soares, Christian Children=s Fund Baucau  
Edea Saldahan Borges, Yayasan HAK Baucau  
Aurea Flores, Yayasan Hak Baucau  
Brother Marcal, Salesian Brothers, Fatalucu Technical School  
Students, Fatalucu school

***Lautem District:***

Lolalina da Conceição Freitas, Radio Comunidade Los Palos  
Ildfonso Mendes Ribeiro, TILMO (Timorese NGO)  
Frederico da Costa, INDE (Portuguese NGO) Los Palos  
UN Police Officers, Los Palos

***Ermera District:***

Laritenno Mendes, technician, The Fish Pond Project, Gleno, Ermera District

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## ANNEX C

### SYNOPSIS OF RELEVANT PREVIOUS EVALUATIONS

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1. **East Timor Democracy and Governance Assessment/Strategy: Crafting a Nation.**

Mile Calavan, Ining Nurani, Michael Miklaucic, Ed Anderson. Draft. March 2001.

Recommended program areas: constitutional development, justice sector support, and civil society organization, especially outside Dili. Longtime technical assistance, media support, police training, courts reconstructed. Training and mentoring in the justice sector.

2. **East Timor: Final Project Report for the Period: November 1, 1999-November 30, 2001 SWIFT.** Development Alternatives, Inc.

Internal report cites lessons learned: 1) transitional assistance has comparative advantages (flexibility, speed); 2) the need for fast action may outweigh potential risks (trade-off between rapid response and risk); 3) OTI/East Timor proved a useful operating model; and 4) the SWIFT contract enables a rapid response.

3. **Falintil Re-insertion Assistance Program (FRAP).** Final Evaluation Report, John McCarthy, IOM (International Organization for Migration). June 2002.

General conclusions from external final evaluation:

- ▶ FRAP has been largely successful in achieving its overall and primary objectives regarding the social and economic reintegration of demobilized FALINTI;
- ▶ FRAP has provided a solid foundation of programmatic achievements on which to build;
- ▶ FRAP generated discernible and ongoing benefits that have contributed to security and stability since its initiation; and
- ▶ Issue or grievance based security groups with questionable or ambiguous motives pose considerable, rapidly growing and complex challenges for the GET:

4. **World Bank The East Timor Public Expenditure Management and Accountability Review.** Identified tighter controls on the procurement process and improved asset management on two critical improvement issues: GET priorities and district level finance officer training.

5. **Startup Grants Assessment.** João Noronha, Monitoring and Evaluation Officer, USAID/OTI/DAI, April 2002.

From November 1999 through December 2001, OTI funded forty-four organizations under the civil society and media programs. Assessment of eighteen organizations was undertaken March-April 2002 with the intent to collect information about the current status of local civil society



organizations funded by USAID/OTI under the start-up grants. Assess achievements and problems and guide future grants that may incorporate capital assets.

**6. CDIE Working Paper 322: The Role of Transition Assistance: The Case of East Timor.**  
Jean DuRette and Glenn Slocum, November 2001

Evaluation undertaken November 2000 to examine how OTI programs are implemented at the country level and their effectiveness. One of four case studies on transition assistance. Lessons learned:

- ▶ Transition assistance has comparative advantages;
- ▶ The need for fast action may outweigh potential risks;
- ▶ OTI/ET has proved a useful operating model in non-presence countries;
- ▶ Planning handoff from the outset facilitates timely transfer; and
- ▶ The SWIFT contract enables a rapid response.

**7. The La'o Hamutuk Bulletin, Vol. 3, Nos. 2-3 April 2002: United States Government Aid to East Timor.**

The East Timor Institute for Reconstruction Monitoring and Analysis (P.O. Box 340, Dili, East Timor) publishes a series offering analysis of donor assistance efforts in East Timor. This issue reviewed “some of the ways the U.S. is involved in East Timor during the transitional period...specifically USAID bilateral aid programs and the role of the US military.” Reports USAID provided “a lot” of information about OTI administered grants. “Although the US supports some basic services (including education, health and infrastructure), their main priorities are export products, elections and governance, justice, media and local development.” Authors include a box (p. 6) on OTI and DAI and outline the purpose of OTI within the USADI structure and the relationship with contractor DAI. They conclude, “about one third of the money given to OTI for foreign aid in East Timor paid for DAI’s costs and profit.” Further, “USAID has helped local communities reconstruct their infrastructure and economy, and grapple with difficult problems like the justice system and the demobilized FALINTIL veterans.” But, the report says, “we worry about dependency and the vulnerability of USAID grantees to shifts in political winds in Washington” and “one way the U.S. could support East Timor financially and politically would be to place more trust in the East Timorese people to make funding decisions. To that end, we encourage the U.S. to increase its donations to operations and services as decided by East Timor’s elected government.”

**8. End-of-Project Evaluation: Building Empowerment, Leadership and Engagement (BELE) and Transition Engagement for Population Support II (TEPS II) East Timor, USAID/DAI. January 2002,** John P. Mason et al

This report stems from an external evaluation of the design, implementation, and impact of TEPS II and BELE programs. The purpose was to assess how well grants helped communities: 1) establish priorities in responding to perceived critical needs; 2) participate and mobilize

members' efforts through project completion; 3) contribute to their own durable recovery; and 4) create impact that members perceive as positive. TEPS II and BELE small grant activities have "generally succeeded in breaking some bottlenecks and filling critical gaps in the functioning of selected communities in a transitioning East Timor society. It is especially those grants in agriculture (including some agro-processing activities), schools, markets, and water and sanitation, that have responded to perceived critical needs and which mobilize people's efforts. Less obviously responsive and demanding of people's energies were roads, selected income generation activities, and sports facilities."

**9. An Assessment of the Media Sector in East Timor.** A. Lin Neumann and Jeanne duToit

Among the key issues covered in this assessment:

- ▶ Transition from UNTAET media to an independent public broadcasting authority;
- ▶ Reality of no commercially viable independent media in East Timor. Every media entity has received support from donors in the form of equipment, training and direct financial contributions. Media in East Timor requires a long-term commitment from donors of both financial support and training resources. No media entity can sustain itself on the basis of advertising and/or subscription revenue alone;
- ▶ Training of journalists at all levels will remain a long-term need;
- ▶ Journalists in East Timor need to take a more direct hand in building a strong association; and
- ▶ There is a need for greater donor coordination in the building of community radio; there is a risk that community radio stations may be built too quickly and lack the necessary financial and technical capability to sustain them.

**10. An Evaluation of the East Timor Print Consortium.** A Lin Neumann, Jeanne du Toit. January 2001.

Evaluation concluded that the print consortium concept was a noble concept based on faulty assumptions and insufficient understanding of the technical and business administration issues required for it to succeed. The push for the consortium stemmed from UN offices; OTI made the mistake of allowing UN interest in the concept to outweigh reservations on the part of many observers and consequently invested an excessive amount of money into the effort.

The report underscores that OTI was handed a complicated undertaking that the UN promoted, then failed to adequately support, and that OTI should have reconfigured the project to make it more viable—investment in new equipment, etc. The report paints the print consortium as a good development model that simply did not work well.

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## ANNEX D

### TIMELINE: EAST TIMOR'S LONG PATH TO NATIONHOOD

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East Timor's struggle for independence has been a long and bloody one. The following timeline charts the territory's recent history and the key events on the long path to nationhood:

April 1974 Newly democratic Portugal decides to shed its colonies, abandoning its presence in East Timor after more than 400 years. Suddenly cut loose, East Timor descends into factional in-fighting between rival political groups, some backed by Indonesia.

Dec. 7 1975 — Following months of covert destabilization operations, Indonesia launches a full-scale invasion of East Timor. Jakarta says the move is necessary to prevent a communist takeover in the territory. Over the subsequent years, as Indonesia's military tries to assert control, some 200,000 Timorese are killed or die as a result of famine. The Indonesian army also loses an estimated 20,000 of its own men.

July 1976 — Indonesia's President Suharto formally annexes East Timor, declaring it the country's 26th province.

Nov. 1991 — Massacre of independence supporters at Dili's Santa Cruz cemetery sparks resurgence in opposition to Indonesian rule and refocuses world attention on East Timor's plight.

Nov. 1992 — Guerilla leader Xanana Gusmão is captured by Indonesian troops, convicted of subversion and jailed for life in Jakarta's top security Cipinang prison. His sentence is subsequently commuted to 20 years.

1996 — Nobel Peace Prize awarded jointly to the Bishop of East Timor, Carlos Belo, and Jose Ramos Horta, the leading international spokesman for the East Timorese cause. The Nobel committee says the award honors "their sustained and self-sacrificing contributions for a small but oppressed people."

May 1998 — A collapsing Indonesian economy triggers widespread street protests forcing President Suharto from power. Suharto's departure raises hopes that Jakarta, burdened with its own financial problems, will reconsider its position on East Timor.

June 9 1998 — In a significant shift in policy Indonesia's new president B.J. Habibie says he is willing to give East Timor a "special status" within Indonesia. East Timorese independence supporters say the apparent concession does not go far enough.

May 1999 — Following a series of United Nations backed talks Indonesia and Portugal sign an agreement to allow East Timorese to finally have their say on their future in a referendum. The United Nations agrees to administer the vote. However, the build up to the referendum is overshadowed by violence from pro-Indonesian militias backed by the Indonesian military.

Aug. 30 1999 — A massive 98.6 percent of registered voters turn out to cast their ballot. Voters are asked to choose between Jakarta's offer of autonomy within Indonesia, or full independence

— 78.5 percent chose independence. In the wake of the vote, the anger of pro-Jakarta militias and their supporters in the Indonesian military explodes in a bloody rampage. Tens of thousands of East Timorese are forced to flee their homes; entire villages are burned to the ground, much of the territory's infrastructure is destroyed and unknown numbers are killed. As worldwide outrage grows Indonesia's President Habibie is forced to allow an Australian-led international intervention force to move in and bring a halt to the violence.

Sept. 7, 1999 — Independence leader Xanana Gusmao is freed from jail in Jakarta, but the situation in East Timor is too dangerous for him to return to the territory. Indonesia declares martial law in the territory, but militias continue to run amok and it becomes apparent Jakarta has little authority over East Timor.

Sept. 20, 1999 — First troops in international intervention force arrive in Dili. Demonstrations take place outside the Australian embassy from Indonesian angry at Australia's role in the peace making operation. In East Timor itself much of the territory lies in ruins and many of those who carried out the destruction disappear into refugee camps across the border in Indonesian controlled West Timor.

Oct. 18, 1999 — Indonesian parliament endorses the result of the referendum and declares the 1976 annexation of East Timor void.

Oct. 25, 1999 — The United Nations Transitional Administration in East Timor (UNTAET) is established to guide the territory toward independence, building up the infrastructure and training for East Timorese self-government.

Nov. 1, 1999 — The last Indonesian troops leave East Timor as aid agencies and the UN begin efforts to bring home and estimated 200,000 refugees who fled the violence following the referendum.

Aug. 30 2001 — East Timor's first parliamentary elections are held. Sixteen parties contest the ballot, but the long-standing pro-independence party Fretilin wins the lion's share of the vote. The new assembly begins work drafting a constitution that will form the basis of independent East Timor's law and government.

April 14, 2002 — East Timorese to vote on the first president for their newly emerging nation.

May 20, 2002 — At midnight May 19 East Timor becomes the world's newest nation. Massive celebrations are planned with UN Secretary General Kofi Annan, former U.S. President Bill Clinton and Australian Prime Minister John Howard among those attending.

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## ANNEX E

# THE SOCIAL KALEIDOSCOPE OF EAST TIMOR

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The best estimates indicate that East Timor today has a population of approximately 800,000 people scattered over their half of the island of Timor. A number of often overlapping social groups inhabit Dili and the country's thirteen provinces:

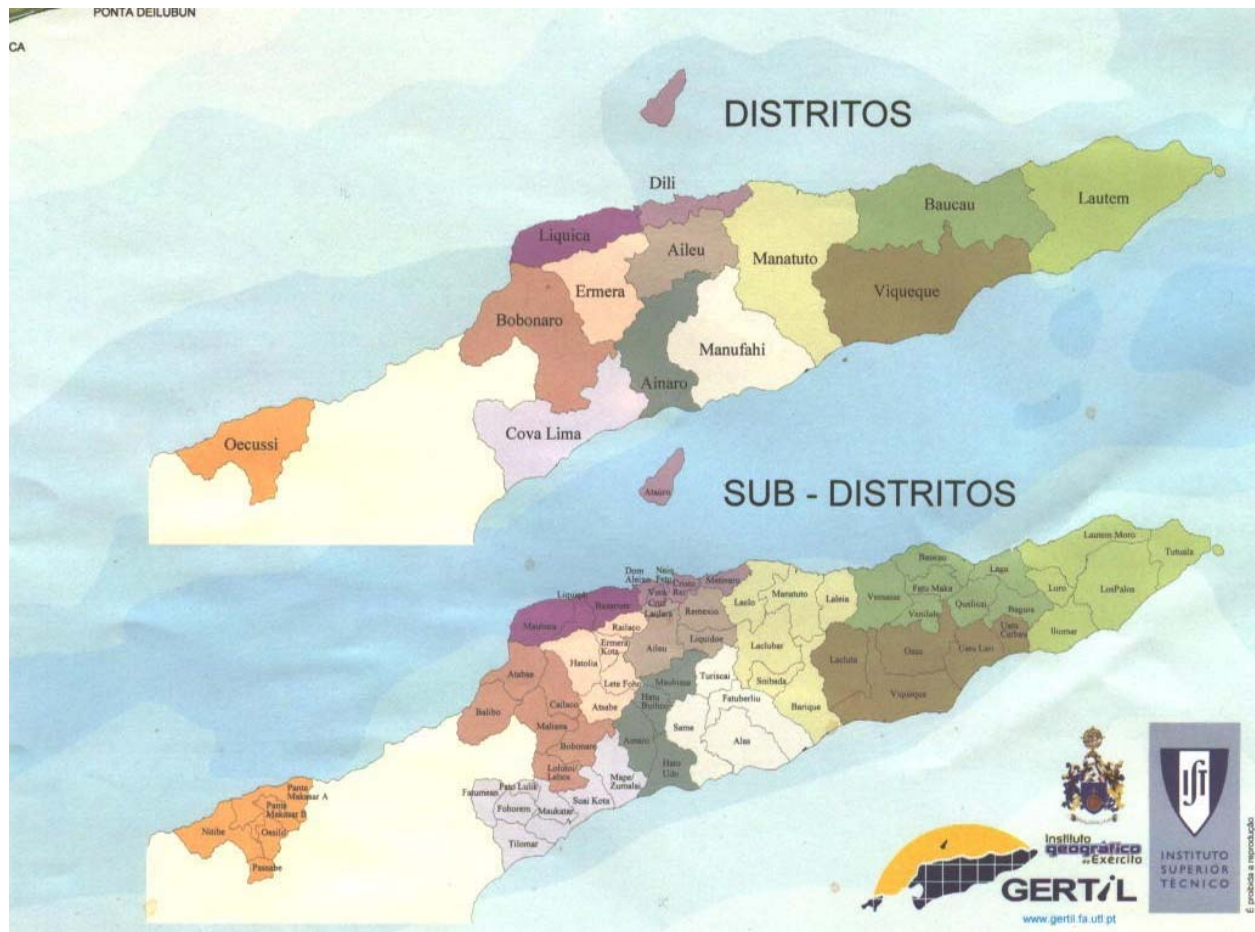
- ▶ Recent returnees from refugee camps in West Timor—people who fled following the Popular Consultation and subsequent violence of 1999.
- ▶ Former members of Indonesian-supported Timorese militia groups, including “big fish” and “little fish” with varying degrees of complicity in the brutalities of 1999.
- ▶ Farmers and agriculturalists who remained somewhat isolated and survived the sweeping changes of the past decades.
- ▶ Former civil servants under the Indonesian regime struggling to receive their promised salaries and pensions.
- ▶ Former pro-autonomy supporters who favored East Timorese integration into Indonesia.
- ▶ Timorese returnees from the diaspora who fled post-1975 and were educated abroad, most frequently in Portugal, Mozambique, Angola, or Brazil.
- ▶ Ethnic Chinese Timorese primarily based in urban centers now re-opening businesses.
- ▶ Javanese transported to East Timor under the Indonesian transmigration program.
- ▶ A very small Moslem minority in an overwhelmingly Roman Catholic nation.
- ▶ Veterans of the East Timorese resistance, their widows and children.
- ▶ Entrepreneurs, from the Philippines, Taiwan, Indonesia, Hong Kong, Thailand, China and Australia, working in service and construction industries in infrastructure rebuilding and providing goods and services to the international community and local elites.
- ▶ International expatriates and civil servants working on contracts with non-government organizations, multilateral and bilateral donor agencies and the United Nations agencies, including civilian police support.
- ▶ Peace-keepers and military advisors from various nations providing military training and security support.

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# ANNEX F

## MAP OF EAST TIMOR

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East Timor Report (Final).doc/EvalQC-19