

# ***EAST TIMOR UPDATE***

***July 2000***



**United Nations Transitional  
Administration in East Timor**  
Office of Communication and Public Information  
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**ACRONYMS USED IN THIS PUBLICATION**

<b>ADB</b>	Asian Development Bank
<b>AMI</b>	Medical International Assistance
<b>AusAID</b>	Australian Agency for International Development
<b>CARE</b>	CARE International
<b>CIVPOL</b>	UN Civilian Police
<b>CNRT</b>	National Council of Timorese Resistance
<b>DFID</b>	Department for International Development
<b>FALINTIL</b>	Armed Forces for the National Liberation of East Timor
<b>FAO</b>	Food and Agriculture Organization
<b>GOAL</b>	GOAL Ireland
<b>GPA</b>	Governance and Public Administration
<b>ICRC</b>	International Committee of the Red Cross
<b>JICA</b>	Japan International Cooperation Agency
<b>ILO</b>	International Labour Organization
<b>INTERFET</b>	International Force in East Timor
<b>IOM</b>	International Organization for Migration
<b>NCC</b>	National Consultative Council
<b>OCHA</b>	Office for the Coordination of Humanitarian Assistance

<b>OXFAM</b>	Oxfam International
<b>PKF</b>	UN Peacekeeping Force
<b>SRSG</b>	Special Representative of the Secretary-General
<b>TNI</b>	Tentara Nasional Indonesia (Indonesian National Armed Forces)
<b>HAER</b>	UNTAET Humanitarian Pillar
<b>UNDP</b>	United Nations Development Programme
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>UNICEF</b>	United Nations Children's Fund
<b>UNMO</b>	UN Military Observer
<b>UNTAET</b>	United Nations Transitional Administration in East Timor
<b>USAID</b>	United States Agency for International Development
<b>WFP</b>	World Food Program
<b>WHO</b>	World Health Organization

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## **INTRODUCTION**

July was marked by the first fatality in action since the deployment of the Peacekeeping Force, on 1 February. A New Zealand soldier from the Peacekeeping Force was killed on 24 July North-West of Suai, Cova Lima district, near the border with West Timor, following an incident with an armed group. According to the military, it was an isolated case. The overall security situation in East Timor remained stable.

The Association of Southeast Asian Nations (ASEAN) expressed its full support for East Timor's reconstruction and reconciliation, saying that it is essential for peace and stability. An East Timor delegation attended the opening and closing ceremony of the ASEAN ministerial summit in Bangkok. The members, including the United Nations Special Representative of the Secretary-General (SRSG) Sergio Vieira de Mello, CNRT President Xanana Gusmao and Jose Ramos-Horta, were assured of ASEAN's determination to intensify co-operation with East Timor.

Support was also expressed at the two-day donor meeting in Lisbon at the end of June, where the existing contributors, together with new donors, indicated their support for closing the financing gap of \$16 million for East Timor's next financial year. Also during the Lisbon Conference, two more grant agreements, on agriculture and education, were signed, bringing the programs under the World Bank administered Trust Fund for East Timor to seven.

After the Lisbon Donor Conference SRSG Sergio Vieira de Mello briefed the United Nations Security Council. In the briefing, he predicted that the newly independent territory would be ready for elections - and possibly independence - during the last four months of 2001.

In order to recommend a plan of action for the electoral process, a needs assessment mission from the Department of Political Affairs at United Nations Headquarters visited Dili to gather information.

As a follow up to last month's meeting with the Governor of the neighbouring Indonesian province East Nusa Tenggara (NTT), Piet Tallo, in which more "come and see" visits of former pro-autonomy leaders to East Timor were encouraged, UNTAET's Chief of Staff Parameswaran Nagalingam met with former militia leaders in Kupang, West Timor. Amongst the seven leaders was Eurico Guterres, the former leader of the Aitarak group, as well as six other pro-autonomy leaders. The seven leaders indicated that they were interested in a "come-and-see" trip to Dili. These trips are seen as essential tools for the reconciliation process, as they improve confidence among refugees who may be hesitant to return. UNTAET is currently working with CNRT to facilitate the trip.

Meanwhile, a seven-member multinational team from King's College Centre for Defence Studies, London University, visited East Timor for an independent study on the future of the security forces of East Timor.

Security was tight when a team of 15 investigators from the Indonesian Attorney General's Office visited East Timor to question witnesses concerning five priority criminal cases presented by the Indonesians.

The new PKF Force Commander is Lieutenant-General Boonsrang Niumpradit. Brigadier L.J. Gardiner is the new Chief Military Observer.

An unexploded ordinance, believed to be a 40 mm grenade, exploded at a popular beach near Dili on 3 July, injuring three Portuguese Peacekeeping soldiers. The beach has been used as a firing range in the past, but the origin of the unexploded device has yet to be established. The beach, also known as Cristo Rei Beach, has been sealed off.

A youth congress was held from 10-15 July in Dili. The 500 participants who represented 12 youth organisations, discussed items that will be on the agenda of the forthcoming CNRT National Congress in August. Amongst those items is the choice of the national and official language for East

Timor, a topic that has been heavily debated over the past months.

Another important congress was the first women's congress held in East Timor, aimed at promoting equitable development in national reconstruction. More than 500 women from across East Timor gathered in the capital Dili for the four-day congress (14-17 June).

Following the congress, the UNTAET Gender Affairs Bureau held their first Gender Mainstreaming Workshop.

Ten East Timorese athletes, of whom two are women, travelled to Darwin, Australia, where they will train under supervision of the Australian Institute of Sports and will undergo a selection process for the Sydney Olympic Games. They were accompanied by the President of the National Olympic Committee, José Ramos-Horta. The team consists of three boxers, three marathoners, two weightlifters and two athletes competing in taekwondo.

After the completion of the Sydney Olympic Games a total of 106,000 pieces of furniture including chairs, wardrobes, cupboards and desks, will be donated to the people of East Timor.

## **HUMANITARIAN SITUATION**

The countrywide review of the humanitarian operation in East Timor was finalised at the end of May. This review, led by a multi-stakeholder steering committee, set out to establish the effectiveness of the humanitarian response by UN agencies, international NGOs and the ICRC. The overall conclusions were that humanitarian assistance was delivered in a timely and effective manner, with shortcomings noted in regard to inadequate consultation with Timorese and deficient communication with beneficiaries.

### **□ Return of Refugees**

A registration process of East Timorese refugees in West Timor camps that was started on July 10, was cancelled until further notice because of security concerns

after some elements in the camps in Betun and Atambua opposed the registration and threatened humanitarian workers. It was the fourth time that an attempt to do a census was cancelled. The census is necessary to enable the Government of Indonesia and the aid community to refine planning assumptions and improve assistance to the campsites. With the halting of the process, it is difficult to determine who wishes to be resettled and who wishes to be returned.

Also due to security concerns, UNHCR closed its office in Betun, West Timor due to continued harassment by pro-integration activists to both refugees and aid workers. UNHCR relocated its staff to Atambua from where they continue to deliver basic services in the Belu district.

UNHCR urged the government of Indonesia to take urgent measures to ensure the security of UNHCR staff and other relief workers, as well as improved access and the elimination of intimidation and misinformation campaigns carried out by pro-autonomy armed elements. At the same time, UNHCR reiterated that they would continue to deliver basic services such as food aid distribution and repatriation services to the estimated 85,000 to 120,000 refugees who remain in camps in West Timor.

The number of returning refugees which had slowed down considerably in the last couple of months, picked up again. There are still various factors that keep refugees from returning, such as propaganda and false perceptions about the security situation, as well as uncertainty about the payments of pensions and salaries of the former civil servants.

At the end of July, the total number of organised and spontaneous returns recorded by UNHCR stood over 168,000. The majority of returnees was organized by UNHCR and IOM.

It is estimated that some 290,000 East Timorese refugees fled in September 1999, and that besides the number already returned, another 50,000 will return this

year, whereas some 12,000 refugee families may opt to settle permanently in Indonesia.

Family reunions, which bring together Timorese living on different sides of the border, have attracted over 50,000 participants over the past seven months. After 29 July, the reunions will be discontinued at the main Motaain-Batugade border, but will continue in Oecussi. IOM hosted a family reunion in Pasabe at the end of July, which was the first to be coordinated by IOM's recently opened Oecussi office.

#### □ *Food Distribution*

The fertile ground near Dilor, in Viqueque, has been the stage of large destruction by rats over the past three months. UNMOs have reported that an estimated 70% of this summer's harvest in rice and maize could already be lost, thereby rendering the population dependent on food assistance. The FAO officer in Dili is looking into the problem of how to control the rat population.

WFP expects that a total of 200,000 metric tons of food have been distributed to date under the food-for-work and the vulnerable groups feeding programme.

#### □ *Shelter*

Distribution of UNHCR shelter kits is ongoing in 12 of the 13 districts. By the end of July, a total of 14,840 shelter kits had been distributed by the agency's eight NGO implementing partners. Of the distributed kits, some 70% had been constructed into homes. A total of 35,000 kits will be distributed, adequate for the reconstruction of 35,000 homes. It is estimated that delivery will be completed through June 2001.

With regard to other shelter programmes, phase II of CARE's shelter distribution in Cova Lima totals 6018 shelter kits and is due for completion by 31 August.

World Vision has completed the largest part of shelter distribution with more than 5000 kits in the districts of Aileu, Ermera, Liquica and Bobonaro, funded by CIDA and

AusAID. The distribution of another 9,400 kits, funded by ECHO, is underway in Bobonaro with air assistance from both WFP and PKF.

The ICRC programme was completed in Maliana subdistrict with some 1425 kits distributed. ICRC is currently undertaking an assessment in other areas of Bobonaro district for a second distribution.

Caritas-Oecussi has reported that their plan to distribute 4,000 shelter kits will be completed in September.

### **INFRASTRUCTURE**

Six project funding agreements worth US\$27.5 million were signed between the Government of Japan, UNTAET and the United Nations Development Programme (UNDP). The projects include the rehabilitation and improvement of the water supply system to give the population in the Dili region access to safe drinking water; the rehabilitation of the road between Dili-Ainaro-Cassa, which will improve the distribution of humanitarian and other supplies and boost economic recovery; the rehabilitation of irrigation in Manatuto, which will further increase agricultural productivity and enhance food security; the restoration of navigation aids and the fender system in Dili port and the rehabilitation of power stations and distribution networks in Dili and 13 rural areas. This is the largest contribution made so far for the rehabilitation of infrastructure in East Timor. All projects will be managed by the United Nations Office for Project Services (UNOPS).

An Indonesian Asset Team came to Dili for a survey of facilities and equipment that the team believes belong to Indonesian companies. The team, which included ten people from different companies, reviewed the state of the buildings and compiled a list for future negotiations on asset claims.

Meanwhile, the rehabilitation of the Central Payments Office started and is expected to be completed in two months. This is the first major reconstruction project on a public

building carried out by UNTAET.

#### □ *Roads*

Road repairs continue on the road sections from Baucau to Viqueque, Manatuto to Natabora and Bobonaro to Suai.

Two long awaited bridges, built by the Bangladeshi Peacekeeping battalion in Ermera district, were inaugurated on 4 July. The bridges make passage possible between Ermera and Hatolia, a vital road in this coffee producing area. In addition, the road serves as a direct link to West Timor via Maliana.

### **SOCIAL SERVICES**

#### □ *Education*

A total of 3,000 primary school teachers have been selected from the 5,500 that took the national test for the recruitment of qualified primary school teachers on 29 May. The selected teachers are now in the process of being allocated to their districts based on student numbers per district. Due to budget constraints, there will initially be a student/teacher ratio of 1:50.

Meanwhile, teachers for secondary schools are being allocated by the district education officers. The teachers will be chosen from university students who have completed six or more semesters in various subject disciplines. The university students accepted for training to become secondary school teachers will attend a basic training course of about five to six weeks before they start teaching in October.

As for the students that want to continue their university studies in Indonesia, the Indonesian Government has announced that it is willing to grant scholarships to 162 of the 800 students residing in Indonesia. This was said at a meeting that took place between UNTAET and the Indonesian Foreign Ministry in Surabaya. The scholarships will go to students with good academic records in their final year. Support for the other students that had their studies interrupted will come from the Government

of Japan with US\$950,000 and the Ford Foundation with US\$600,000

More support came with the signing of a grant agreement, the Emergency School Readiness Project, at the Lisbon Donor Conference. Under this project, class rooms will be rebuilt (worth US\$8,7 million) and teaching material purchased (worth US\$3,2 million). It is estimated that by the beginning of the school year in October, some 30% of schools might be at a "basic operational level". The rest of the schools will hopefully get to that level by the end of the year.

#### □ *Health*

The National Tuberculosis Programme has trained 22 health workers from various districts to become tuberculosis supervisors. Upon completion of the training, the trained staff returned home to train local health workers in their home districts. The National Tuberculosis Programme, which is running under the auspices of Caritas East Timor in collaboration with Caritas Norway and the Menzies School of Health Research, Australia, was operating in nine districts as at the end of June, with nearly 1,500 patients enrolled. By the end of July, all 13 districts were covered by the programme. This training is another step towards the establishment of a well functioning national tuberculosis programme.

A three-week bacteriology training course was held in July as well. The course was aimed at establishing diagnostic capacity in the country, which is currently not available and therefore limits the capability of diagnosing infectious diseases. Sponsored by WHO, ausAID and the Darwin-based Menzies school, the training will have a follow-up session in August.

The central laboratory has been re-opened with support from UNICEF and WHO and is now able to offer a range of basic tests.

A WHO consultant has been working with the Interim Health Authority to finalise a national Essential Drugs List for East Timor.

PRADET, the organization for Psychosocial Recovery and Development in East Timor, has taken the lead, in collaboration with the Interim Health Authority, to bring together various groups working on psychosocial support given to victims of trauma. PRADET is working to establish the first acute psychiatric care consulting services in East Timor.

A measles vaccination campaign was concluded in Ermera district. About 1,440 children have been inoculated in villages in that district so far. The Portuguese health NGO AMI and UNTAET carried out the campaign. To date, some 4,000 children have been inoculated against the disease in East Timor.

In order to help curb East Timor's extremely high maternal mortality rate (880 out of 100,000 women die while giving birth), UNICEF completed a 2nd training course provided to the Association of midwives of East Timor, during which medical and safety kits were also distributed.

In other health-related news, a group of surgeons from Australia's South East Asia Rehabilitation Foundation visited Dili for one week during which they operated on 30 patients at the ICRC-run Dili General Hospital, providing reconstructive hand surgery and plastic surgery for burn victims. The surgeons will return to East Timor in September to provide the patients with follow-up treatment.

**POLITICAL DEVELOPMENT**

In order to further involve the Timorese people in the administration of their country, SRSRG Sergio Vieira de Mello had suggested a new transitional government structure to the East Timorese leaders during a week-long conference held in May. One option was a technocratic model, by which the administration would be staffed with East Timorese working alongside international staff. The second option was a political model, whereby a cabinet of "ministers" would be formed and East Timorese leaders would share power and responsibility for government in coalition with UNTAET.

The CNRT welcomed the political model and a regulation On the Establishment of the Cabinet of the Transitional Government was approved. The cabinet, as outlined in the regulation, has eight members, four East Timorese and four international staff representing UNTAET. All Cabinet officers are answerable to the SRSRG.

The historic announcement and swearing in of East Timor's transitional cabinet at UNTAET's headquarters took place on 15 July. The four international cabinet members are: Deputy SRSRG Jean-Christian Cady, responsible for the portfolio of Police and Emergency Services; Gita Honwana-Welch, responsible for Justice; Peter Galbraith responsible for Political Affairs and Michael Francino responsible for Finance. The four Timorese cabinet members are: Ana Pessoa, in charge of Internal Administration; João Carrascalão, responsible for Infrastructure; Father Filomeno Jacob, responsible for Social Affairs and Mari Alkatiri, in charge of Economic Affairs. In addition, Mariano Lopes da Cruz was appointed Inspector-General for the East Timor Administration.

A new National Council (NC) will be appointed to replace the former 15 member National Consultative Council which was a quasi-cabinet and quasi-legislative body, established in December 1999.

The new National Council will have the power of initiative. It will receive drafts submitted by the Cabinet but will also have the authority to initiate the drafting of regulations itself. The SRSRG will have the final say in the approval of any draft regulation proposed to the cabinet by the NC.

The NC will have 33 members; one from each district, seven representatives from CNRT, and other positions held by representatives of other political parties, women, youth and representatives of minorities and sectors of society. The broadening to members from the political, religious and private sector, was done to ensure wider participation of more elements of the East Timorese society in the decision-making process.

The Transitional Administrator will chair the weekly Cabinet meetings assisted by his deputy who will have a co-ordinating function of the cabinet. It is provisioned that in the future no member of the cabinet will be a member of the new National Council.

Nothing in this new government structure affects the overall responsibility for the territory that Security Council resolution 1272 had given to UNTAET. However it enhances the priority established in that resolution; of supporting capacity-building for self-government.

## **INSTITUTIONAL DEVELOPMENT**

The first meeting of the new Cabinet of the Transitional Administration in East Timor was held on 17 July. In this meeting, the East Timorese Cabinet agreed to appoint Mari Alkatiri and Peter Galbraith to the Ministerial Council for the Zone of Cooperation in the Timor Gap. The council has the overall responsibility for matters relating to the exploration and exploitation of petroleum resources in the Timor Gap.

### **□ Regulations**

The draft regulation on Appropriations was approved by the National Consultative Council on 30 June, for the purpose of appropriating money out of the Consolidated Fund of East Timor for the functioning of the Transitional Administration.

A regulation earmarking US\$100,000 in humanitarian aid to the East Timorese national liberation army, Falintil, was approved on 4 July. The regulation was the first approved this fiscal year, 2000/2001, which started on 1 July.

The National Consultative Council also approved the draft regulation on Protected Places. The regulation lists, among other things, a number of endangered species, as well as 15 protected wildlife areas in East Timor. These areas shall be managed and protected so as to preserve their wildlife and natural character.

And a draft regulation that will lay the foundations for a new tax system in East

Timor was also adopted. This regulation creates the East Timor Revenue Service as the new collection agency for taxes. It also introduces a comprehensive set of taxation procedures for the support of a new tax system. And it contains a new taxation measure; a tax on services. This tax will apply to various services supplied by restaurants, hotels, transport rental and telecommunications providers. This services tax is ten per cent of the value of the service, and applies from 1 July. Before that date, taxes were limited to import duties, excise and sales tax.

### **□ Public Administration**

Fifty students entered the Diplomatic Training Program at the end of July, where they will be trained by international professionals over a four-week period in technical skills, protocol, understanding of the region and of East Timor. The students, about forty per cent women, will then be sent overseas to serve as interns at the foreign ministries of countries sponsoring their training. The program is sponsored by the governments of Australia, New Zealand, Portugal, the United States of America and the United Kingdom.

A workshop on Foundations for Governance and Public Administration took place at the Civil Service Academy. Some 90 candidates followed the week-long seminar that focused on good governance, ethics and rules of conduct, project management and public policies. This workshop was the first activity of the UNDP-organized project Partnership for East Timor. The training course was carried out by the Portuguese National Institute for Administration. The trainers came from Portugal, Cape Verde, Mozambique and Brazil.

### **□ Border Control**

A Joint Border Committee will be established to demarcate the definitive political border between West Timor and East Timor. This was decided during the third round of negotiations between UNTAET and the Indonesian Government in Surabaya. They also agreed to work out a system to allow East Timorese and

Indonesians who live close to the border to cross freely for family and other personal reasons.

The border service reported US\$2,37 million in revenues.

### **MEDIA DEVELOPMENT**

The Pacific Area Newspaper Publishers' Association (PANPA) launched a joint web-site for all print media in East Timor at the organization's 31st annual conference on 19 July in Sydney. The East Timor Press Web Project is maintained and hosted by staff and students of the School of Media and Journalism at the Queensland University of Technology. The site will be transferred to the management of East Timorese journalists in Dili early next year. The local journalists will be trained and supported in web-site development by UNTAET's Media Development Unit and Queensland University of Technology. Two newspapers, Timor Post and Lenok, are on-line at [www.easttimorpress.qut.edu.au](http://www.easttimorpress.qut.edu.au)

The East Timor Press Club held its first get-together in Dili. It is coordinated by the Timor Lorosae Journalists' Association and UNTAET's Media Development Unit. It brings together both local and foreign journalists.

Five West Timorese journalists visited East Timor at the invitation of UNTAET, hoping that it would help accelerate the repatriation process. During their five day visit, they met with the SRSG Sergio Vieira de Mello, they visited returnees at the Dili UNHCR transit centre and interviewed representatives from the human rights NGO, Yayasan HAK (Justice and Human Rights.) During their trip, they also went to Liquica to meet with some 40 former militia members who had been accepted by their communities. This was the first visit to East Timor by representatives from the local media in West Timor after the popular consultation on 30 August 1999.

#### ✓ **UNTAET communication**

Radio UNTAET is now broadcasting 15 hours of live radio daily. The co-ordinators for the programming, which goes out in

English, Tetum, Portuguese and Bahasa Indonesia, are all East Timorese.

Televisao UNTAET has changed its weekly broadcasting hour to Friday six p.m. which is a more convenient time than the former Tuesdays at five p.m. The one-hour per week broadcast will continue until early September when facilities at a new radio and television complex will make it possible for enhanced transmissions to begin.

The UNTAET-supported print consortium began operations and it is expected that by early August the print consortium will be able to undertake full-colour printing jobs. Three East Timorese publishing groups – the Timor Post, Lalenok and Talitakum and Lian Maubere – participate in the consortium as shareholders together with four NGOs and a radio station.

### **ECONOMIC DEVELOPMENT**

#### □ **Labour**

#### ✓ **Quick Impact Projects (QIPs)**

There are currently some 143 QIP activities underway with over 5,350 East Timorese employed.

Quick Impact Projects (QIPs) were established with the aim of "kick starting" rehabilitation of community infrastructure and the economy at the district and sub-district levels.

#### ✓ **Transitional Employment Projects (TEPs)**

To-date, Transitional Employment Projects (TEPs) have provided employment for some 30,000 people in the 13 districts of East Timor.

Transitional Employment Projects are short-term employment projects, which are in place in all the 13 districts of East Timor. The USAID TEP activities focus on the maintenance of roads, drainage clean-up and repair of damaged buildings. The time period of employment varies according to district and project, but most programmes have been extended till the end of August.

A massive TEP is underway in Oecussi employing 320 persons to fence paddy fields.

✓ **Community Empowerment Project (CEP)**

A total of 100 Timorese staff have been recruited and appointed to work on the first phase of the World Bank's Community Empowerment Project.

In its initial phase, the CEP is establishing development councils at village and sub-district levels. These village councils will identify rehabilitation projects to be financed with money up to US\$5,600 for individual projects. Such projects include activities such as building roads to isolated hamlets, reconstruction of community centres destroyed last year and the repair of water pipelines.

□ **Private Sector**

The number of private businesses registered with the Trade and Commerce Office stood at 2,977 at the end of July. The majority of the businesses registered are Timorese.

The names of 20 applicants from Dili who have been granted loans under the Small and Medium Enterprises Project, were announced in July. Ten of the loans were granted to female entrepreneurs. The range of business projects which these 20 loans will finance vary from a transport business and a carpentry shop, to a boutique and a guesthouse, among other things. In total, these loans will create jobs for some 250 people.

On average, the loan size is about US\$15,000. The 20 loans together are worth a total of US\$307,000. There is US\$307,000 available for each of the 13 districts. Dili is the first one to have its results announced.

The Small and Medium Enterprises Project was received with great enthusiasm. Over 2,100 applications, totalling US\$31 million, were registered for these loans that are intended to help develop private Timorese businesses. This far exceeds the US\$4.8 million budget of this first tranche of World Bank-administered Trust Fund project.

□ **Agriculture & Farming**

Nearly one-half of East Timor's coffee has been harvested, according to UNTAET's Agricultural Department. The harvesting season, from April to September, is currently on going all over East Timor. At the same time, UNTAET is training farmers and distributing processing tools in order to improve the quality of the coffee. Through radio broadcasts and information campaigns, UNTAET will inform farmers about techniques of harvesting, processing and storing coffee. The coffee production districts are Liquica, Ainaro, Aileu and Ermera. UNTAET's Agricultural Department estimates that some 48,000 farmers are involved in growing the crop. It is estimated that East Timor is producing between 8,000 to 10,000 tonnes of dry coffee a year. This translates into some US\$20 million.

Thirty hand tillers were donated by the Japanese Government to help Timorese in the quick recovery of rice production, since a lot of water buffaloes, necessary for rice farming in East Timor, were killed while hand tractors were destroyed last September. The districts of Manatuto and Baucau will each receive 15 tillers.

A grant agreement on agriculture was signed during the Lisbon Conference. The Agricultural Rehabilitation and Development Project, worth US\$18.2 million, aims at improving food security of selected poor households, increasing agricultural production in selected areas and promoting rural growth. Implementation will be over a two-and-a half-year span.

□ **Foreign investment**

Foreign Investment has been identified as one of the key areas that will contribute towards the development of East Timor. With the establishment of the Investment Promotion Unit, UNTAET has set up a mechanism for providing a co-ordinated response to investment proposals, to develop an investment policy and to promote East Timor as an investment destination.

Two experts from the Foreign Investment Advisory Service (FIAS) of the World Bank came to Dili to assist in making a survey of the environment for investment and to prepare for the development of a Foreign Investment Act for East Timor. The FIAS team pointed out the need to urgently adopt regulations on company incorporation, land tenure and employment of foreign nationals as necessary measures to encourage investors.

Two East Timorese candidates participated in the "Familiarisation Programme for Officials of Investment Promotion Agencies" organized by the Industrial Development Agency in Malaysia. Funding for their participation was provided by UNDP, Dili. The program covered a wide range of topics including planing for industrial development, evaluation of projects, human resource planning and promotional mechanisms.

## **RULE OF LAW**

### □ *Judiciary*

Prosecutors from Dili, Baucau and the East Timorese enclave of Oecussi in West Timor transferred their criminal files concerning investigations into "serious crimes" to UNTAET. They cover cases of genocide, war crimes, crimes against humanity, as well as murder, sexual offences and torture committed between 1 January and 25 October 1999. The cases will be prosecuted and tried by a special panel - composed of both East Timorese and international judges - within the Dili District Court, to ensure the degree of specialization and expertise required. The local prosecutors and the Civilian Police have already carried out extensive work and many of the cases are ready for indictment.

On June 28, the Deputy General Prosecutor for Serious Crimes and the other members of the first panels for prosecution for serious crimes in East Timor were sworn in by DSRSG Cady.

A training session for judges, prosecutors and public defenders was held by a member of the International Criminal Tribunal for

Yugoslavia (ICTY). The session, which was held from 30 June-3 July, covered war crimes, crimes against humanity and genocide.

By the end of June, all witnesses had been heard by UNTAET investigators in the five priority criminal cases presented by the Indonesian Attorney General's Office. The testimonies were then translated into Indonesian and passed on to the Indonesian authorities in July. The five cases are: the Liquica Church massacre, the Suai Church massacre, the attack on Manuel Carrascalao's residence, the attack on Bishop Belo's compound and the murder of Dutch journalist Sander Thoenes.

Following that, a team from the Indonesian Attorney General's Office visited East Timor to question witnesses and collect any resulting material evidence concerning the five priority criminal cases presented by the Indonesians. This cooperation is the result of the meeting between UNTAET's legal and political representatives and their Indonesian counterparts in Jakarta on 8 June.

On 3 July, fourteen East Timorese judges, investigating judges and prosecutors were appointed by UNTAET. The appointees were then sent to their respective courts in Dili, Baucau, Oecussi and Suai. To date, forty-six judges, investigating judges, prosecutors and public defenders have been hired. In Dili, the staffing of judicial personnel is complete.

In Baucau, trials are expected to commence soon now that the investigating judge, three prosecutors and six panel Judges have been introduced to the public in a meeting organized by Bishop D. Basilio do Nascimento on 29 June.

The first criminal trial of the East Timorese judicial system started on 26 July at the Dili District Court. A man was charged with the murder of a 12 year-old boy on 5 March 2000 in Becora, Dili. Meanwhile, the prosecutors of the Dili District Court submitted a second criminal case.

And the first civil trial, a divorce, started at the Dili District Court on 10 July.

An Australian construction worker suspected of possessing and dealing drugs was arrested on 17 June, in Dili. He is the first foreigner to be arrested in East Timor. This arrest followed the detention of a Civilian Police officer from Egypt suspected of drug dealing.

#### □ *Civilian Police*

The Civpol Commissioner has created an interim traffic enforcement regulation to cope with the increase in road traffic until a comprehensive law is formulated. The regulation is intended to deal with regular traffic offences and will allow for proper enforcement of road rule and etiquette.

There is a notable increase in petty complaints being received by the Civpol in all districts. This change from the previous trend of seeking assistance indicates the increase in confidence of the public in Civpol.

#### □ *East Timor Police Service*

##### ✓ *Police officers*

The first 50 national police officers, 38 men and 12 women, graduated from the East Timor Police Academy on 11 July. They will be deployed in their home districts and receive 3 additional months on-the-job training in criminal investigations, traffic control, community policing and administration.

After those three months, the police officers will start a six-month probation period, during which they will be provided with specialized training. By April 2001 they will be fully empowered police officers. They will gradually take over responsibility for law and order from Civpol.

The second batch of 50 cadets, of which twenty-two are female, has meanwhile started their training. The successful cadets of this group will graduate in October 2000.

It is estimated that there will be a total of 500 trained Timorese police officers by June 2001. The downsizing of the international Civpol will commence from that point. Total

strength of the Timorese police force should reach 3,000.

##### ✓ *Police Assistance Group*

The Police Assistance Group has turned out the third batch of members. The sixty men have been allocated throughout the territory for a contract period of three months, during which they will acquire practical experience in the field. To-date, 139 PAG officers have been deployed. Seventy more former police officers started training for the Police Assistance Group (PAG).

## **HUMAN RIGHTS**

The Head of UNTAET's Human Rights Unit, Sidney Jones, was replaced by Patrick Burgess.

During her last press briefing, Sidney Jones reported on efforts made on what was initially called the National Reconciliation Commission, which was put forward at the end of May by the CNRT as a mechanism to bring back people who were still in West Timor. "A plan has now been put forward for a much more elaborate structure in some ways, that would involve both a mechanism for allowing people to come back from West Timor and be able to acknowledge their crimes and then be give some kind of community service. This is only for lesser offences, not for any of the serious offences like murder and rape. Those crimes would then be recorded by a special panel of the court in East Timor so that there would be a formal record even of these lesser crimes. There would also be some kind of truth-telling mechanism, whereby anyone who had become a victim of a human rights violation from any side in the conflict, would be able to come forward before a panel and say what had happened to them and get that recorded as well. The plan for this is still under discussion and a lot of steps have to be taken before even the final draft of this is in place," Sydney said.

A workshop was organized by the lead person from CNRT on this matter, Francisco Guterres, on 19-20 of June. Several outside experts were invited, including people who had been involved in setting up and analysing truth commissions in a number of

other countries. Currently there is a process of consultation ongoing within CNRT on the more fully developed plan that has been put forward.

Meanwhile, East Timorese are being trained in forensic techniques. Currently there are three East Timorese working with the forensic team and they will eventually become East Timor's first forensic experts. This includes two medical students and one nurse student.

Sydney Jones estimated that between 1,000 and 1,200 people were killed during the violence last year. "We are trying to get more accurate estimates as the investigation proceeds and the forensic work continues," she said.

## **PEACE AND SECURITY**

### **□ Security Situation**

The first fatality in action since the deployment of the Peacekeeping Force, on 1 February, took place on 24 July when a New Zealand soldier from the Peacekeeping Force was killed North-West of Suai, Cova Lima district, near the border with West Timor, following an incident with an armed group.

The soldier, 24-year old Private Leonard William Manning, died as a result of a gunshot wound in an exchange of fire with the armed group. According to the spokesperson for the Peacekeeping Force, Lieutenant Colonel Brynjar Nymo, the assailants appeared and acted as if they had received some kind of military training. The group responsible for this tragic event is suspected militia operating from West Timor.

The incident is being investigated by New Zealand Battalion and by CIVPOL. An "ad hoc" working group is also being formed with participation from both PKF and TNI, in an attempt to identify and bring those responsible to justice.

The threat level in Suai is still assessed by the Peacekeeping Forces as medium, as it has been for the last months. According to

the military, the incident was an isolated case.

Also at the western border, an incident occurred on the night of 21 June where a group of suspected militia threw six grenades at an Australian Battalion position in Aidabasalala. No one was injured in the incident. Because of the grenade throwing incident and the report of militia sightings and hostile plans security operations were conducted in the Bobonaro-Cova Lima-Ermera area.

In spite of instability in the Western border area, the situation in the eastern part of East Timor was calm and a logical and gradual downsizing of troops has started there. This movement will result in a significant troop reduction by early 2001 (from 1900 to approximately 500 by 31 January 2001), without sacrificing the overall security. The first contingent to downsize was the Philippine Battalion in Manatuto as its strength was brought down from three to two companies. In August, the Thailand Battalion will reduce its strength by one company.

Funds worth US\$100,000 are being handed over to the East Timorese national liberation army, Falintil. The money, taken from the East Timorese budget, is paid out to Falintil members by the District Administrator of Aileu, the district where the liberation army has been cantoned since October 1999. This Regulation on Supplementary Appropriation is to be regarded as an interim measure, while a permanent solution is being worked out. Difficult living conditions, lack of supplies and lack of clarity about their current and future role have recently led to concerns over discipline and morale. The funds are intended to last for two months for the purchase of emergency supplies of food. A Portuguese PKF mobile clinic will pay a weekly visit to Aileu and a Korean dental team will also be contacted to provide assistance as well.

### **□ Civil-Military Co-operation**

Aside from continuing to maintain security in East Timor, various assistance to the other UNTAET pillars was undertaken by the

Peacekeeping Forces The Bangladesh engineers constructed two 500-foot Bailey bridges in HATOLIA and ERMERA. Additionally, they were able to repair several main roads in the western districts. The Pakistani engineers are now in the AINARO region undertaking repairs of the road along the route AINARO-CASA-ZUMALAI. This will assist the various UNTAET agencies and the NGOs in their efforts to deliver the assistance needed by the people in these areas.

### **TRUST FUND UPDATE**

#### □ ***UNTAET Trust Fund***

Contributions to the UNTAET Trust Fund totalled \$39,2 million by the end of July.

Funds from the Trust Fund are in the process of being transferred to the Consolidated Fund for East Timor (CFET). The first Consolidated Budget for East Timor, for which these funds will be used, was approved by the National Consultative Council at the end of June. It contains recurrent spending of US\$43,6 million and capital spending of US\$15,6 million in the fiscal year 2000-2001. The financial shortfall sought from donors at the Lisbon Conference was US\$16 million. The donors indicated their support for the budget process involving significant East Timorese participation, and for the outcome.

#### □ ***World Bank-administered Trust Fund for East Timor***

Seven grant agreements totalling US\$54,9 million have been signed. At the Lisbon Conference, donors endorsed the work program for the Trust Fund for the next six months. In the near future, grant agreements for projects in water and sanitation and micro finance will be signed.