



# East Timor: Political Dynamics, Development, and International Involvement

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## Summary

The situation in the Democratic Republic of Timor-Leste, which is also known as simply Timor-Leste or East Timor, is relatively calm compared with recent periods of political strife and insurrection. That said, some underlying tensions, such as with the security sector, remain to be resolved. Timor-Leste faces many serious challenges as it seeks to establish a stable democracy and develop its economy. Prior to 2006 the international community's main concern focused on possible tensions in East Timor's relations with Indonesia. Since 2006 the main threat to East Timor has been internal strife resulting from weak, or collapsed, state institutions, rivalries among elites and between security forces, a poor economy, unemployment, east-west tensions within the country and population displacement. The reintroduction of peacekeeping troops and a United Nations mission, the flow of revenue from hydrocarbon resources in the Timor Sea, and improved political stability are helping East Timor move towards more effective and democratic government. East Timor has significant energy resources beneath the Timor Sea. A key issue is how this wealth will be conserved and spent in the years ahead.

With the assistance of a transitional United Nations administration, East Timor emerged in 2002 as an independent state after a long history of Portuguese colonialism and, more recently, Indonesian rule. This followed a U.N.-organized 1999 referendum in which the East Timorese overwhelmingly voted for independence and after which Indonesian-backed pro-integrationist militias went on a rampage, destroying much of East Timor's infrastructure and killing an estimated 1,300. Under several different mandates, the United Nations has provided peacekeeping, humanitarian and reconstruction assistance, and capacity building to establish a functioning government. On February 26, 2009, the U.N. Security Council extended the mandate of U.N. Integrated Mission in Timor-Leste (UNMIT) for another year.

Many challenges remain, including the need for economic development and sustained support by the international community. Although the last of the Internally Displaced Persons (IDP) camps is being closed, IDPs face a number of issues, the resolution of which will be important to sustaining their return, including the need for basic assistance and services, the settlement of land disputes, and the reintegration in their original communities. Congressional concerns have focused on security and the role of the United Nations, human rights, and East Timor's boundary disputes with Australia and Indonesia.

A key challenge for East Timor will be to create enough political stability to focus on building state capacity and infrastructure with resources from the Timor Sea and prevent them from being squandered by corrupt practices.

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**O**n May 20, 2002, the Democratic Republic of East Timor (Timor-Leste) gained its independence, and on September 27, it became the 191<sup>st</sup> member of the United Nations. With the help of the United Nations transitional administration, East Timor's independence marked the end of three centuries of Portuguese rule and 24 years of Indonesian control.<sup>1</sup> Timor-Leste has many challenges to overcome to consolidate its democracy and develop its economy.

## **Recent Developments: 2008-2009**

Many observers feel that United Nations security forces left Timor-Leste prematurely in 2005 and that this allowed political violence to paralyze the country in 2006. President Jose Ramos-Horta called for the United Nations to remain in the country for five years in May 2008 citing ongoing concerns over the security situation and the potential for instability to return to the country.<sup>2</sup> Many of the civilians displaced by civil disturbances and strife in 2006 returned to their homes in the 2008-2009 time period.

A group of assassins led by mutineer former Major Alfredo Reinado failed in their attempt to assassinate president Jose Ramos-Horta and Prime Minister Xanana Gusmao on February 11, 2008. Reinado, who was killed in the failed attempt, was the leader of a group of over 600 former soldiers who had been fired from the army for striking over perceived regional discrimination in April 2006. The new leader of Reinado's group subsequently surrendered in April 2008.

Although the security situation in Timor-Leste is "strikingly improved" at present, observers remain concerned that plans to implement security reforms have yet to be accomplished.<sup>3</sup> This concern stems from the mutiny by security forces in 2006. Although the Timor-Leste government no longer faces an armed rebel group, it has yet to move to effectively address the underlying causes of the mutiny by security forces that occurred in 2006.

A final report issued by the joint Indonesian-East Timorese Truth Commission in May 2008 blamed Indonesia for atrocities in 1999. Indonesian President Susilo Bambang Yudhoyono expressed his "deep regret" over the human rights violations.<sup>4</sup> President Ramos-Horta urged Timor to move on and put the past aside after the report was released.

There is also a degree of concern over government plans in 2009 to withdraw funds from Timor's Petroleum Fund. Timor continues to try to find a way to gain additional economic benefit from the gas reserves in the Timor Sea though the geography of the seabed, as well as political instability in Timor, has made Timor less attractive than Darwin, Australia, as a site for processing the natural gas.

The role of China in Timor-Leste also increased in 2009. China is providing assistance with construction of government buildings and has offered to sell heavy oil power plants and patrol boats to Timor-Leste.

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<sup>1</sup> Slobodan Lekic, "East Timor's Historic Vote Hailed as a Success," *Associated Press*, August 31, 2001.

<sup>2</sup> "Horta Wants UN to Stay," *BBC News*, May 12, 2008.

<sup>3</sup> Timor-Leste: No time For Complacency, *International Crisis Group*, Report No. 87, February 9, 2009.

<sup>4</sup> "Timeline East Timor," *BBC News*, April 4, 2009.

By the end of 2007, the government of East Timor created the National Recovery Strategy Program, which covers five areas—housing, community trust-building, security and stability, social protection, and local socio-economic development. The approach to the return, resettlement, and reintegration options for IDPs is part of this framework. In June 2009, the last of the IDP camps was being closed. The government of East Timor has stated it will need support through 2009 to complete the decommissioning of the IDP camps and provide for returning persons.

## Background

In the 1640s, the Portuguese began to assert control over East Timor. This colonial presence would last until 1975 when the Revolutionary Front for an Independent East Timor (Fretilin) gained ascendancy over the Timorese Union Party, pushed them out of East Timor in a brief civil war, and declared independence on November 28, 1975. Indonesia invaded East Timor on December 7, 1975, and began a period of occupation during which an estimated 100,000 to 250,000 East Timorese died.<sup>5</sup> Indonesia's annexation of East Timor as its 27<sup>th</sup> province was not recognized by the United Nations.

Under the supervision of the United Nations, a national referendum to decide on either autonomy within Indonesia or on independence from it was held, under U.N. supervision, in East Timor on August 30, 1999. Seventy-eight percent of the 98.6% of registered voters who voted opted for independence. This led to widespread retaliation and destruction by pro-integrationist militias backed by elements of the Indonesian military who were in favor of integration with Indonesia. More than 1,300 East Timorese were killed, and the displaced included more than 260,000 in West Timor and 200,000 in East Timor. Seventy percent of East Timor's economic infrastructure (such as housing stock, public buildings, and utilities), eighty percent of the schools, and virtually all medical facilities were destroyed by the militias. To quell the violence and restore order, a U.N.-authorized peacekeeping mission International Force East Timor (INTERFET) was established (under Australian command) and deployed on September 20, 1999. Australia has continued to play a leading role both in U.N. operations and on a bilateral basis with East Timor since 1999.

### East Timor in Brief

**Area:** 14,609 sq km (slightly larger than Connecticut)

**Capital:** Dili

**Population:** Over 1 million

**Religion:** 96.5% Catholic, 1% Muslim, 1% Protestant

**Language:** Tetum (91%) and Portuguese (13%) are the official languages. Indonesian (43%), English (6%), and other indigenous languages are also spoken

**Literacy:** 43%

**Total GNP:** \$393 million

**GDP growth rate:** 1.8%

**GDP per Capita:** \$460

**Unemployment:** Over 20%

**Poverty:** 42% are below the poverty line.

**Exports:** Coffee, oil, and natural gas

**Markets:** Australia, Europe, Japan, United States

**Life expectancy at birth:** 47.9 years male, 51.8 years female

**Infant mortality rate:** 83 per 1,000 birth

**Sources:** *CIA World Factbook*; U.S. Department of State; Australian Government, Department of Foreign Affairs and Trade; World Bank, *World Development Indicators*

<sup>5</sup> "Background Notes: East Timor," U.S. Department of State, September 2006.

## Political Dynamics

### Leadership<sup>6</sup>

#### Jose Ramos-Horta

Jose Ramos-Horta is the president and former prime minister of Timor-Leste. The president is the head of state and is directly elected for a five-year term of office. Ramos-Horta left Timor-Leste days before Indonesian troops invaded Timor-Leste in 1975. He went on to represent Fretilin abroad and press for Timor-Leste's cause on the international stage. In 1996 he was awarded the Nobel peace prize, along with Bishop Belo, for his work to promote the cause of Timor-Leste. He was appointed president after the resignation of Mari Alkatiri in July 2006. Ramos-Horta was seriously wounded in an assassination attempt led by former Major Alfredo Reinado on February 11, 2008.

#### Xanana Gusmao

Former President Xanana Gusmao is the current prime minister and former president of Timor-Leste. Gusmao was a civil servant under Portuguese rule before taking up arms against the Indonesian occupation of Timor-Leste. Gusmao became leader of the resistance in Timor-Leste after the death of Fretilin commander Nicolau Lobato in 1978. Gusmao was captured by Indonesian forces in 1992 and sentenced to life in prison. He was released by Indonesian President B.J. Habibie in 1999. Gusmao became Timor-Leste's first president following elections on March 16, 2002. In 2007, Gusmao stepped down from the presidency to run for the office of prime minister, which he achieved through forming a coalition with smaller parties. Gusmao escaped injury during an attempted assassination by Reinado forces on February 11, 2008. Reinado led a group of disgruntled security forces that was a source of much insecurity in 2006.

#### Mari Alkatiri

Mari Alkatiri was prime minister until he resigned in the wake of unrest following the dismissal of troops in 2006. He remains Secretary General of Fretilin and has considerable support within the country. Like Ramos-Horta, Alkatiri went abroad as Indonesian forces invaded Timor-Leste in 1975. Alkatiri is part of the small minority of Muslims in Timor-Leste. The relationship between Alkatiri and Gusmao has been described as hostile. Fretilin opposes moves by Gusmao to use the petroleum reserve to fund a budget deficit.

### Structure of Parliament

The Democratic Republic of Timor-Leste has a unicameral national parliament of 65 members. The current parliament was elected on June 30, 2007. The parliament grew out of a 88-member Constituent Assembly that was elected in August 2001 and drafted a constitution for East Timor that went into effect in 2002. East Timor at that time was under the administration of the United

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<sup>6</sup> "Political Leadership, East Timor" *Janes Security Sentinel*, May 1, 2009.

Nations, which had taken control in late 1999 after Indonesia withdrew from the territory. East Timor formally became independent on May 20, 2002. The new constitution provided for an elected parliament of 52 to 65 members, but the Constituent Assembly declared itself the first national parliament of the new state. Fretilin is the party that led the resistance to Indonesian rule. The constitution also provided for parliamentary government with a largely symbolic, popularly elected President.

The parliamentary election of 2007 led to a coalition government headed by Xanana Gusmao who was sworn into office on August 6, 2007. Gusmao heads the Alianca com Maioria Parlamentar (APM), or Alliance of the Parliamentary Majority, which is a four party coalition. The parties included in the coalition are: the National Congress for Timorese Reconstruction, the Democrat Party, the Timorese Association of Social Democrats, and the Social Democrat Party. The main opposition party is the Frente Revolucionario do Timor-Leste Independente, Fretilin.

The parliament faces many challenges. Many members fought with the Fretilin resistance to Indonesian rule and entered parliament with no legislative experience. Few members have college education. The business of parliament is hampered by the practice of Members using both legal languages, Tetum and Portuguese. Committees reportedly do attempt to exercise oversight over the executive branch, but the committees have few staff. Members have little support and few computers.

## **Elections**

Parliamentary and presidential election were held in 2007. The April presidential elections led to the election of former prime minister Ramos-Horta as president. Horta received 69% of the vote. Parliamentary elections in June 2007 led President Horta to ask Xanana Gusmao, the former president, to become prime minister at the head of the largest coalition of parties. The Fretilin party had won the most seats but it did not have a majority in parliament on its own. Violent protests followed the naming of Gusmao as prime minister.

**Table I. June 30, 2007 Parliamentary Election Results**

| <b>Political party</b>  | <b>Number of Seats<br/>in Parliament</b> |
|---|--|
| Revolutionary Front for an Independent East Timor (Fretilin)              | 21                                       |
| National Congress for Timorese Reconstruction (CNRT)                      | 18                                       |
| Social Democratic party-Timorese Social Democratic Association (PSD-ASDT) | 11                                       |
| Democratic Party (PD)   | 8  |
| National Unity Party (PUN)  | 3  |
| Democratic Alliance (AD)  | 2  |
| National Unity of Timorese Resistance (UNDERTIM)                          | 2  |

**Source:** "Internal Affairs: East Timor," *Janes Sentinel Country Risk Assessments*, March 9, 2009.

Prior to the 2007 elections, East Timor held an election on August 30, 2001, under the supervision of UNTAET to elect a constituent assembly to draft a new Constitution and, upon independence, to become the new parliament. More than 91% of the electorate participated. East Timor's Presidential election was held on April 14, 2002, when Gusmao, an independence leader who ran as an independent candidate, won a decisive victory. Voter turnout in this second election reached 86% of the electorate.<sup>7</sup>

## **Internal Strife and Political Turmoil, 2006-2007**

Events in 2006 led to the deterioration of East Timor's internal security situation and the reintroduction of foreign peacekeepers, from Australia, New Zealand, Portugal, and Malaysia. (See "Chronology" below.) The Australian military contingent was the largest with some 1,100 troops in country. The peacekeepers were deployed at the invitation of the East Timorese government.<sup>8</sup> U.N. Security Council Resolution 1704 of August 25, 2006, established the United Nations Integrated Mission in Timor-Leste (UNMIT) had a civilian component as well as up to 1,608 police personnel and up to 34 military liaison and staff officers. UNMIT's mission included supporting the East Timorese government in "consolidating stability, enhancing a culture of democratic governance, and facilitating political dialogue among Timorese stakeholders in their efforts to bring about a process of national reconciliation."<sup>9</sup>

The source of the strife of 2006 can be traced to divisions within the dominant Fretilin party dating to their period of struggle against the Indonesians. Some Fretilin elites went into exile while others, including Xanana Gusmao, stayed behind to fight in the military wing of Fretilin, Falintil, which he commanded. One way these divisions manifest themselves is in splits within and between the military and police forces. The allegiance of most of the military to Gusmao appears to have played a role in the creation of paramilitary units within the police. Divisions between the military and the police can be traced to the recruitment process. Many recruited into the military "were Xanana loyalists" while a U.N. decision led to over 300 individuals who had earlier served in the Indonesian police force in East Timor to be hired into the new police of East Timor.<sup>10</sup> In the words of the International Crisis Group report, "personal and institutional tensions between a president committed to pluralism and a ruling party (Fretilin) with distinctly authoritarian tendencies, politicisation of the police, lack of any regulatory framework for the security forces more generally and the in-bred nature of a tiny political elite with 30 years shared history allowed matters to get out of control."<sup>11</sup>

The event that triggered the strife and political turmoil of 2006 can be traced to former Prime Minister Alkatiri's dismissal of 591 members of the 1,500-man military in March 2006. Those dismissed had protested their conditions and pay and claimed discrimination against members of the force from western districts of East Timor. Most of the upper echelons of the military were drawn from the eastern districts, or Loro Sa'e, while much of the political leadership and the

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<sup>7</sup> Dwight King, "East Timor Founding Elections and Emerging Party System," *Asian Survey*, October 2003.

<sup>8</sup> Australian Department of Defence, "About Operation Astute," <http://www.defence.gov.au/opastute/default.htm>.

<sup>9</sup> United Nations, SC/8817, "Security Council Establishes New, Expanded UN Mission in Timor-Leste for Initial Period of Six Months," August 25, 2006.

<sup>10</sup> Sven Gunnar Simonsen, "The Authoritarian Temptation in East Timor," *Asian Survey*, Vol. 46, July/August, 2006.

<sup>11</sup> "Resolving Timor-Leste's Crisis," *International Crisis Group*, October 10, 2006. This is an excellent source of open information on recent events in East Timor.

police are from the western districts, or Loro Munu.<sup>12</sup> In July 2006, it was reported that the police had broken into factions, with some taking their weapons to join rebels in the hills.<sup>13</sup> The March 2006 dismissal of the protesting troops led to rioting, looting, a number of deaths, and the fleeing of tens of thousands of mostly eastern East Timorese from the capital, Dili, beginning in April 2006. Alkatiri stepped down in June as a result.

Former Prime Minister Alkatiri was accused by his opponents of forming “hit squads,” which he denied.<sup>14</sup> A U.N. investigation found him to have failed “to use his firm authority to denounce the transfer of security sector weapons to civilians.”<sup>15</sup> Former Interior Minister Rogerio Lobato was sentenced to seven years imprisonment for authorizing the transfer of weapons to pro-Fretilin supporters and a Fretilin-linked hit squad.<sup>16</sup> Lobato reportedly had a “frosty” relationship with Gusmao and had bought large quantities of arms for the police and had established two paramilitary police units.<sup>17</sup>

One of the leaders of the violent protests of March 2006, which resulted in the mutiny of soldiers from western districts, was Major Alfredo Reinado. Reinado’s support base was drawn from the west. Reinado and 50 of his supporters escaped from prison in August 2006. Australian forces failed to capture Reinado on March 11, 2007. The operation was ordered by the East Timor government. The decision to apprehend Reinado was apparently taken after he persuaded a border patrol unit to hand over their assault rifles on February 25, 2007. The government had previously been in negotiations with Reinado for killing a soldier while fighting against East Timorese army units. Although Reinado had not been a major political figure in East Timor, he had attracted much support among young men who were increasingly resentful of the foreign military presence in East Timor.<sup>18</sup> Reinado was resentful of Fretilin for ordering the dismissal of protesting troops.<sup>19</sup>

Another dimension of the escalating violence in East Timor is the gangs of largely unemployed youth. Unemployment and underemployment is estimated to be as high as 70% in East Timor.<sup>20</sup> With the collapse of law and order in the wake of the May 2006 police and military clashes, gang violence swept through Dili, leading to further deaths, the displacement of more Dili residents from the capital, and the widespread destruction of property.<sup>21</sup> Many of the Dili gangs reportedly view Reinado in a positive light.

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<sup>12</sup> “East Timor: Government Buckles as Violence Continues,” *Oxford Analytica*, June 2, 2006.

<sup>13</sup> “E Timor Prime Minister Sworn in,” *BBC News*, July 10, 2006.

<sup>14</sup> “Embattled East Timor PM Resigns,” *BBC News*, June 26, 2006.

<sup>15</sup> “E Timor Ex-PM Accused on Unrest,” *BBC News*, October 17, 2006 and “Commission of Inquiry Issues Report on Violent Crisis that Shook Timor-Leste,” *UN News*, October 17, 2006.

<sup>16</sup> “East Timor: Poll is Unlikely to Boost Stabilization,” *Oxford Analytica*, March 13, 2007.

<sup>17</sup> “E Timor Nationhood Proves Rocky Path,” *BBC News*, May 29, 2006.

<sup>18</sup> “E Timor President Evokes Emergency Powers,” *The Washington Post*, March 6, 2007.

<sup>19</sup> Paul Toohey, “Fox on the Run,” *The Bulletin*, March 13, 2007.

<sup>20</sup> “East Timor Country Profile,” *Factiva*, November 24, 2006.

<sup>21</sup> U.S. Department of State, “East Timor: Background Notes,” December 2006.

## **Population Displacement and Humanitarian Issues, 2006-2009**

### **Background**

According to the United Nations, the instability and volatility of the security situation in East Timor that started in April 2006 affected the livelihoods of much of the population. Initially, an estimated 178,000 were displaced. By February 2007, an estimated 100,000 (10% of the population) remained displaced—30,000 as Internally Displaced Persons (IDPs) in camps in Dili and 70,000 with host families in the districts.<sup>22</sup> Many of the IDPs did not have homes to return to because they were damaged or destroyed. Sufficient access to potable water and the risk of disease due to poor sanitation was a significant problem for IDPs in camps and elsewhere. Many of the camps were also at risk for flooding.

These conditions had to be understood in the overall context in East Timor (reported by the United Nations at the time) which said that more than 40% of the East Timorese population lived below the poverty line, with a high child mortality rate resulting from lack of sanitation, infectious diseases, and malnutrition. Rice shortages throughout the country and increases in food prices were also of concern. Deteriorating social structures and services at the community level greatly affected the capacity to provide health care and education and to respond to natural disasters, such as floods and landslides during the rainy season, which are common in East Timor. Distribution of basic essentials and implementation of projects focused on IDPs, but the needs were significant throughout the country. The transition from humanitarian programs to development activities remains a challenge due to the extreme poverty levels—IDPs that have returned continue to need food and shelter assistance.

Funding has increased in times of insecurity and displacement. During the renewed violence in April and May 2006, the U.N. Central Emergency Response Fund (CERF) provided immediate emergency assistance and the United Nations Office of the Coordinator of Humanitarian Assistance (UNOCHA) generated a Flash Appeal. A total of nearly \$40 million was reportedly contributed in 2006. In February and March 2007, security incidents again increased, leading to restrictions on the movement of humanitarian personnel. Humanitarian access became an issue; in addition, there were concerns about the protection and security of those displaced and for non-governmental organizations and U.N. operations providing assistance. Some believe the motivations behind the violent demonstrations were more local gang-related incidents. Concern about displacement due to civil unrest prompted contingency planning under the National Disaster Management Office (NDMO) and the Ministry of Labour and Community Reinsertion (MTRC).<sup>23</sup>

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<sup>22</sup> Exact figures are not available due to the high mobility rate of the displaced population.

<sup>23</sup> United Nations Office for the Coordination of Humanitarian Affairs, "Timor-Leste: Weekly Situation Report," March 14, 2007.

## **Recent Developments**

In addition to the U.N. peacekeeping operation, the international humanitarian aid community includes the United Nations, international organizations, non-governmental organizations, and donor governments that provide contributions and in-kind bilateral assistance. The international community works closely with the East Timor Red Cross and other national and local organizations.<sup>24</sup>

By April 2008, IDPs willing to return received recovery and reintegration packages and the government began to decommission some of the IDP camps (at the height of the crisis there were reportedly 65 IDP camps.) The Ministry of Social Solidarity (MSS) has been overseeing the returns process with assistance from international organizations such as the International Organization for Migration (IOM). In November 2008, roughly 10,400 families had received recovery packages and returned and approximately 21 camps had closed, while transitional shelter sites were constructed and continue to house some of the displaced.

For returning IDPs, limited access to food, water and basic services continues to be a problem. Along with increasing prices of food and shortages of dietary staples, lack of availability of arable land, and the impact of natural disasters were cited as the primary reasons for a deterioration in food security beginning in 2008. Furthermore, the sustainability of returns has been impacted by unsettled land disputes, condition of the homes (destroyed or damaged during the conflict), and fear of violence in home villages, all of which have continued to present difficulties with reintegration of IDPs into their original communities.

During the recent IDP returns there were no major incidents of violence that affected the overall process. Walter Kalin, the U.N. Representative on the Human Rights for IDPs, visited East Timor in December 2008 and in his report focused on the need for finding ways to sustain returns and develop durable solutions. In December 2008, the U.N. Office for the Coordination of Humanitarian Affairs (UNOCHA) ended its formal mission. A UNOCHA national staff member continues to work with a small humanitarian team within UNMIT.

## **United Nations Integrated Mission in Timor-Leste (UNMIT)**

### **The Mandate**

On August 25, 2006, the U.N. Security Council established a new, expanded mission in East Timor for an initial period of six months under Resolution 1704 (2006) called the U.N. Integrated Mission in Timor-Leste (UNMIT). The mandate calls for a civilian component, police personnel, and military liaison and staff officers to help assist with the fragile security, political, and humanitarian situation. Part of the mandate also calls for support to the presidential and

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<sup>24</sup> Primary U.N. agencies include the World Food Program (WFP), United Nations High Commission for Refugees (UNHCR), United Nations Children's Fund (UNICEF), World Health Organization (WHO), United Nations Development Program (UNDP), and the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA).

parliamentary electoral process.<sup>25</sup> The Secretary General's report highlighted the need for a "multidimensional and integrated" mission and for cooperation from the International Security Force (ISF), which was deployed after violence erupted in April 2006 and was made up of troops from Australia, Malaysia, New Zealand, and Portugal.

On February 23, 2007, the U.N. Security Council extended the mandate of UNMIT until February 26, 2008 (Resolution 1745 (2007)) and also approved temporary reinforcement of police in anticipation of national elections. On February 25, 2008, U.N. Security Council Resolution 1802 (2008) extended the mandate until February 26, 2009. On February 26, 2009, the U.N. Security Council extended the mandate for another year until February 26, 2010, with Resolution 1867 (2009).

## **Reports by the Secretary General: Then and Now**

East Timor is relatively more stable than it was in 2006. Still many challenges remain, including reintegration of IDPs; poverty; underdevelopment; and high unemployment all in the context of fragile judicial and political institutions and in an atmosphere punctuated by volatility and insecurity.

In his report in early January 2007, the Secretary General issued his findings on UNMIT (covering the period from August 9, 2006, to January 26, 2007). He identified some improvements in the overall situation and highlighted the continued need for long-term commitment by the international community to achieve stability, development and democratic governance.<sup>26</sup> In his report, he highlighted three main substantive areas of focus with specific activities under each heading: (1) Political Developments Since August 2006 (support for dialogue and reconciliation, support for the electoral process, follow up to the report of the Independent Special Commission of Inquiry, promotion of human rights and the administration of justice); (2) Restoration and Maintenance of Public Security (police, military); and (3) Support for the 'Compact' (Democratic Governance, Socio-economic Development and Humanitarian Relief).

In early January 2009 (covering the period from July 9, 2008, to January 20, 2009), the Secretary General's report focused on (1) political and security developments since 2008 and the need for increasing dialogue and reconciliation, improving democratic governance, maintaining public security, strengthening security institutions, and conducting a comprehensive review of the security sector; (2) promotion of human rights and administration of justice through the monitoring, promotion and protection of human rights, and increasing support for capacity building in the justice system; (3) increased socio-economic development and humanitarian assistance through support for the international compact for Timor-Leste, developing infrastructure and human resource capacity (such as poverty alleviation and achievement of the Millennium Development Goals, improving health indicators and implementation of the U.N. Development Assistance Framework 2009-2013) and ongoing humanitarian activities and implementation of the Government's National Recovery Strategy program to ensure durable

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<sup>25</sup> United Nations, "Report of the Secretary-General on Timor-Leste Pursuant to Security Council Resolution (S/2006/628)," August 8, 2006.

<sup>26</sup> United Nations, "Report of the Secretary-General on the United Nations Integrated Mission in Timor-Leste (for the period from 9 August 2006 to 26 January 2007), (S/2007/50)," February 1, 2007.

solutions for IDPs; and (4) preparation of a medium-term strategy for East Timor through specific benchmarks.<sup>27</sup>

## **U.N. Peace Operations, 1999-2005**

The U.N. peace operations in East Timor since 1999 have evolved in phases. U.N. Security Council Resolution 1246 (1999) authorized the United Nations Mission in East Timor (UNAMET), established on June 11, 1999, to organize a national referendum in August on East Timor's status and, depending on the outcome, oversee the transition period. After the violent post-referendum rampage began, and with Indonesia's agreement, on September 12, 1999, the Security Council on September 15 passed Resolution 1264 (1999), authorizing establishment of INTERFET a non-U.N. multinational force. On October 19, 1999, Indonesia's parliament voted to confirm the results of the August referendum.

The United Nations Transitional Authority for East Timor (UNTAET) was established by U.N. Security Council Resolution 1272 (1999) on October 25, 1999 (and led by Sergio Vieira de Mello, the UNTAET Administrator) to provide a U.N. conducted multi-dimensional peacekeeping operation to administer East Timor through its transition to independence. INTERFET initially overlapped with UNTAET until February 2000 when command of military operations in INTERFET was integrated with UNTAET. UNTAET's mandate was broad and included assisting East Timor to (1) recover from the violence through humanitarian aid and reconstruction assistance; (2) establish a functioning government; and (3) aid East Timorese who fled or were forcibly transported to Indonesia West Timor during the violence. In September 2000, three U.N. humanitarian workers were killed by members of East Timorese militia groups, resulting in the temporary suspension of U.N. humanitarian activities in West Timor.

On May 17, 2002, Security Council Resolution 1410 (2002) established a successor mission to UNTAET, the United Nations Mission of Support in East Timor (UNMISSET) for an initial period of 12 months. Subsequent resolutions extended the mandate at six-month intervals until May 20, 2005.

## **United Nations Office in Timor-Leste (UNOTIL)**

On April 28, 2005, the U.N. Security Council adopted Resolution 1599 (2005) establishing the United Nations Office in Timor-Leste (UNOTIL), a special political mission to carry out peace-building activities and mandated for one year until May 19, 2006.<sup>28</sup> UNOTIL activities included support for state institutions, such as national capacity in justice and finance, strengthening democratic governance and observance of human rights, and supporting the development of a national police force, particularly the Border Patrol Unit.

In his address to the U.N. Security Council on January 23, 2006, Sukehiro Hasegawa, Special Representative of the Secretary-General for Timor-Leste, provided a summary of the UNOTIL efforts and achievements, many of which demonstrated progress on implementing mandated programs and preparing for the transfer of capacity building support functions. In the support-to-

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<sup>27</sup> United Nations, "Report of the Secretary-General on the United Nations Integrated Mission in Timor-Leste (for the period from 9 July 2008 to 20 January 2009), (S/2009/72)," February 4, 2009.

<sup>28</sup> "Security Council Establishes One-Year Political Mission in Timor-Leste," U.N. Press SC/8371.

state institutions, the Timorese were building the necessary skills to administer their public institutions; national judges were being trained; and expertise was being developed in the finance sector. On the observance of democratic governance and human rights, progress had been made on drafting a strategic plan, developing a complaint handling system, and working on international legal obligations. Assessments and training of the Border Patrol Unit were taking place and had moved to the next phase which involved interaction with the Indonesian Army counterparts.

However, some concerns about progress were also raised by Hasegawa. First, significant weaknesses remained in the implementation of capacity building in the justice and finance sectors, and international advisory support was seen as critical to continued success. There was particular concern about roughly 3,000 pending civil and criminal cases. Second, human rights activities would need continued outside supervision and monitoring, and with unresolved issues over accountability for the crimes against humanity committed in East Timor in 1999, the timing was particularly sensitive. Third, additional training was required of the BPF to minimize border incidents. In sum, although much had been accomplished, Mr. Hasegawa described the situation as “fragile.” He also viewed it as critical to maintain stability and peace to foster confidence in the political system with the 2007 presidential and parliamentary elections.

With the sharp increase in violence beginning in April 2006, and as the crisis escalated into the summer, UNOTIL’s mandate was extended a number of times: On May 12, 2006, the U.N. Security Council extended the mandate until June 20, 2006 (Resolution 1677 (2006)); on June 7, the U.N. Security Council extended the mandate for two months until August 20, 2006 (Resolution 1690 (2006)); and on August 18, the U.N. Security Council extended the mandate for five days until August 25, 2006 (Resolution 1703 (2006)), when a new U.N. mission was established.

## **The United States and Timor-Leste**

### **U.S. Assistance to East Timor**

In addition to humanitarian assistance, the United States has continued to provide bilateral assistance to East Timor as outlined in the chart below. U.S. aid programs in East Timor have the goal of building a viable self sufficient free market economy, developing basic public services (such as health), and supporting good governance through an emerging democratic political system and post-conflict democracy initiatives. U.S. assistance has helped the economic and political development of East Timor by supporting independent media, civil society organizations, and political parties as well as strengthening the electoral process, building judicial institutions, and strengthening governmental capacity. In the opinion of many experts East Timor remains in need of sustained bilateral, multilateral, and regional support. According to 2010 State Department budget justification document the U.S. will need to “maintain its focus on re-establishing the basic functions of government, including the security services.”<sup>29</sup>

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<sup>29</sup> U.S. Department of State, Congressional Budget Justification Document, Book II, released May 2009.

**Table 2. U.S. Assistance to East Timor, FY2008-FY2010**

(dollars in 000s)

| <b>Account</b>                                | <b>FY2008</b> | <b>FY2009 est.</b> | <b>FY2010 request</b> |
|---|---------------|--------------------|-----------------------|
| Development Assistance                        | 5,000         | 20,200             | 10,335                |
| Economic Support Fund                         | 16,862        | 2,800              | -                     |
| Foreign Military Financing                    | -             | -                  | 1,000                 |
| Global Health and Child Survival - USAID      | 1,000         | 1,000              | 2,000                 |
| International Military Education and Training | 156           | 300                | 400                   |
| Int. Narcotics Control and Law Enforcement    | 20            | 20                 | 860                   |
| PL 480 Food Aid                               | 1,150         | -                  | -                     |
| <b>Totals</b>                                 | <b>24,188</b> | <b>24,320</b>      | <b>14,595</b>         |

**Sources:** U.S. Department of State, Congressional Budget Justification Document, Book II, released May 2009.

## U.S. Humanitarian Response<sup>30</sup>

The Office of Foreign Disaster Assistance (OFDA) within the United States Agency for International Development (USAID) Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA) provides non-food humanitarian assistance during international crises and disasters and can respond rapidly with relief materials and personnel. It facilitates the U.S. government emergency assistance. OFDA provides some assistance through its own personnel, but the bulk of its activities are carried out through grants to implementing partners, such as the U.N. agencies, international organizations, and non-governmental organizations. USAID also administers Title II of P.L. 480, the Food for Peace Program (FFP), which is the primary disaster aid channel for U.S. food aid.

In East Timor, the United States continues to draw on both OFDA and FFP in its humanitarian efforts. OFDA is funding a number of implementing partners to assist IDPs in a range of tasks that currently include humanitarian coordination and information management; shelter and settlements; water, sanitation and hygiene; and peacebuilding and the provision of psychosocial services to affected populations. In FY2008, as of September 30, 2008, OFDA provided approximately \$1.2 million, FFP contributed more than \$1.1 million, and the Office of Conflict Management and Mitigation (CMM) provided \$0.8 million for a total of just over \$3.1 million in USAID humanitarian assistance to East Timor. In FY2007 OFDA provided \$1.2 million and FFP contributed \$2.2 million in food aid for a total of approximately \$3.4 million. In FY2006, OFDA contributed nearly \$1 million and FFP funded \$1.2 million in food aid for a total of \$2.2 million.<sup>31</sup>

<sup>30</sup> For more information on U.S. humanitarian assistance, see CRS Report RL33769, *International Crises and Disasters: U.S. Humanitarian Assistance, Budget Trends, and Issues for Congress*, by Rhoda Margesson.

<sup>31</sup> See USAID, "Timor-Leste (East Timor)—Complex Emergency, Fact Sheet #2 FY2008," September 30, 2008 and "East Timor—Complex Emergency Fact Sheet #1 (FY2007)," April 20, 2007.

## Potential Issues for Congress

In 2005, supporters of a continued U.N. role argued that East Timor was not ready for the U.N. departure as the institutions of state were fragile. The events of 2006 appear to have proven them correct. There continues to be a need to improve security services and the judiciary, and to ensure greater institutional transparency and the rule of law. Once again, consideration of the terms of the U.N.'s current presence will have to be examined in order that destabilization does not follow the U.N.'s next departure from East Timor.

United States' relations with East Timor have been closely associated with U.S. relations with Indonesia and Jakarta's former control over East Timor. Congress has expressed concern with the legacy of past human rights abuses in East Timor by the Indonesian military and Indonesian military backed militias. This has in the past led Congress to restrict military-to-military contact between the United States and Indonesia.<sup>32</sup> Looking to its future, the East Timorese government appears ready to put its past behind it in order to have a productive relationship with Indonesia. Indonesia has a population of some 230 million as compared to East Timor's one million. These factors attach to human rights concerns as the United States considers its policies towards both East Timor and Indonesia.

## Proposed Legislation

The Tariff Relief Assistance for Developing Economies Act of 2009, S. 1141, would include Timor-Leste as one of the states that would be eligible under its provisions. The proposed legislation, which was referred to the Senate Committee on Finance on May 21, 2009, finds that it is in the mutual benefit of the United States and least developed countries to promote stable and sustainable economic growth and development. States designated in the proposed act would be eligible for preferential tariff treatment for certain articles as specified.

## Other External Relations

In addition to the United Nations, Timor-Leste's main external relations are with Australia and New Zealand, Portugal, Indonesia, and increasingly with China. Timor-Leste would also like to become a member of the Association of Southeast Asian Nations (ASEAN).

## Australia and New Zealand

Australia and New Zealand have played an active role in support of peace and security in Timor-Leste since the 1999 referendum and have been key providers of peacekeeping troops for the purpose. Australia has 650 soldiers operating alongside 150 troops from the New Zealand Defence Force.<sup>33</sup> Together they constitute the International Stabilization Force (ISF). There are also a number of Australian police working alongside police from 20 other countries to provide security in Dili as part of the United Nations Police Force. The ISF provides support to the police

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<sup>32</sup> For additional information see CRS Report RL32394, *Indonesia: Domestic Politics, Strategic Dynamics, and American Interests*, by Bruce Vaughn.

<sup>33</sup> J. Howe, "Soldiers Bound for Timor," *Manawatu Standard*, June 8, 2009.

as needed.<sup>34</sup> Australia has viewed Timor as within its sphere of strategic interest and has played an active role there for many years. Australian troops fought Japanese forces in Timor during World War II and Australian ships reportedly blockaded Timor to prevent the shipment of Chinese arms to the pro-independence Falintil forces in 1975.<sup>35</sup>

Australia also has economic interests in the hydrocarbon resources located on the seabed between the two countries. Australia recognized Indonesian control of the province as part of the Timor Gap Treaty with Indonesia of December 1989.<sup>36</sup> The treaty, which covered the joint development of hydrocarbon resources in the maritime area between Australia and the then Indonesian controlled area of East Timor, came into force in 1991 and was replaced by the Timor Sea Treaty between Australia and the newly independent state of Timor-Leste in 2003.<sup>37</sup>

Australia and Timor-Leste have managed to develop a working relationship to enable joint development of hydrocarbon resources in the maritime space between their two countries despite their lack of agreement on sovereignty over the area. Timor-Leste continues to hope that a processing facility can be built in Timor while Australia supports the use of a facility in Darwin, Australia. The geography of the seabed floor, which includes a deep trench near Timor-Leste, as well as the unsettled political security situation in Timor, appears to have commercial concerns favoring the use of facilities in Darwin. The key commercial participants in the greater Sunrise project are the Australian company Woodside with a 33.44% share, ConocoPhillips with 30%, Shell with 26.56%, and Osaka Gas with a 10% share.<sup>38</sup> (See “Energy Resources” section below for more information.)

## Portugal

Timor-Leste has a long standing relationship with Portugal. Portuguese colonial influence over Timor spans the period from 1640 to 1975. As a result, the nation is 96.5% Catholic while Indonesia is overwhelmingly Muslim. Portuguese is one of the official languages of Timor-Leste and approximately 13% of the populace speak Portuguese. Portugal remains one of Timor’s key providers of foreign assistance. Portugal has provided Portuguese language teachers and established a cultural center in Dili.

## Indonesia

Indonesia invaded Timor-Leste after a brief period of independence following the departure of the Portuguese in 1975. A guerilla movement subsequently emerged to challenge Indonesian control. Hundreds of thousands of Timorese are thought to have died as a direct or indirect result of the fighting that ensued. Indonesian military backed militias destroyed Timor’s infrastructure and killed an estimated 1,300 additional Timorese in the wake of the 1999 referendum where Timorese voted for independence. It is thought that elements within the Indonesian military

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<sup>34</sup> “Operation Astute,” Australian Department of Defence, <http://www.defence.gov.au>.

<sup>35</sup> Mark Dodd, “RAN Ships Blockaded Chinese Arms to Timor,” *The Australian*, June 17, 2009.

<sup>36</sup> “Treaty Between Australia and the Republic of Indonesia on the Zone of Cooperation in an Area Between the Indonesian Province of East Timor and Northern Australia, [Timor Gap Treaty],” Australian Treaty Series 1991 No. 9, Australian Government Publishing Service, 1995.

<sup>37</sup> “Timor Gap Treaty,” ATNS, <http://www.atns.Net.au/agreement>.

<sup>38</sup> Russell Searanke, “Commission to Meet on Sunrise,” *Upstream*, May 29, 2009

wanted to send a message to other Indonesian provinces, such as Aceh and Papua, that at that time also had secessionist or autonomous movements. The increasingly democratic government of Indonesia since 2004 has sought more positive relations with Timor-Leste. President Ramos-Horta has called on the people of Timor-Leste to move on and accept that those responsible for the atrocities of 1999 will never be tried. He believes this is necessary for the nation to move forward.<sup>39</sup> A truth commission sponsored by both Timor-Leste and Indonesia found that the Indonesian army armed and funded pro-Indonesian Timorese militias in 1999 that it knew were responsible for rape, murder, torture, and forced deportation.<sup>40</sup> Former Indonesian General Wiranto, who is considered responsible for human rights abuses in East Timor in 1999, stood for election to be vice president with presidential candidate Megawat Sukarnoputri in the July 2009 Indonesian elections.<sup>41</sup>

## China

Since 2005, China has been rapidly increasing its investment in its relationship with Timor-Leste. This is likely due to several reasons, including China's desire to balance the influence of the U.S. in Southeast Asia; the potential that Timor will become a member of ASEAN; to gain access to Timor's hydrocarbon resources; and to make sure Timor does not fall into the diplomatic camp of Taiwan on the One-China policy issue.<sup>42</sup> The rise of Chinese influence in Timor may be of concern to strategic policy planners in Australia, who generally view Timor as within Australia's sphere of influence. China has embarked on high-profile projects such as providing assistance for the construction of prominent government buildings in Dili including the Ministry of Defense and the Defense Force Headquarters.<sup>43</sup> China is also reportedly selling two conventionally armed long-range patrol vessels and non-lethal defense equipment to Timor for \$30 million.<sup>44</sup> Timor-Leste's Foreign Minister Zacarias Albano da Costa, who traveled to Beijing in June 2009, stated that Timor supports a One-China policy and that China supports Timor's efforts to join ASEAN and that bilateral relations between the two states will be further strengthened.<sup>45</sup> Plans to purchase second-hand oil burning power stations from China for \$381 million came under criticism in June 2009 on the grounds that they are not needed and that they would be heavy polluters.<sup>46</sup> The heavy oil to be burned in the power stations would have to be imported to gas-rich Timor. Fretilin has opposed the proposal and is reportedly preparing a legal challenge.<sup>47</sup>

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<sup>39</sup> "Ramos-Horta Urges Nation to Move on," *SBS News*, July 20, 2008.

<sup>40</sup> Lucy Williamson, "Indonesia Funded E Timor Abuse," *BBC News*, July 10, 2008.

<sup>41</sup> "Presidential Candidates Avoided Rights Violations in Debate," *LKBN Antara*, June 19, 2009.

<sup>42</sup> Loro Horta, "Timor-Leste, The Dragon's Newest Friend," *Les Notes de l'Irasec*, May 2009.

<sup>43</sup> Loro Horta, "Love-Hate Relationship: Australia, Timor and a Rising China," *RSIS (Singapore) Commentaries*, June 17, 2009.

<sup>44</sup> Loro Horta, "Timor-Leste, The Dragon's Newest Friend," *Les Notes de l'Irasec*, May 2009.

<sup>45</sup> "Foreign minister Says East Timor to Promote Relations with China," *BBC News*, June 16, 2009.

<sup>46</sup> "Court Challenge to heavy Oil Power Stations," *Australian Associated Press*, June 19, 2009.

<sup>47</sup> Gabrielle Dunlevy, "E Timor Plan to Use China's Heavy Polluting Power Plant Challenged in Court," *Joyo Indonesia News Service*, June 18, 2009.

## ASEAN

East Timor became a member of the ASEAN (Association of Southeast Asian Nations) Regional Forum in July 2005. It has been reported that Timor is interested in becoming a full member of the ASEAN group.

## Key Issues

### Economics and Development

#### Energy Resources

East Timor's off-shore energy resources are extensive and, if properly managed, likely can provide the necessary financial resources to develop the country and provide basic welfare for its people, which currently number approximately one million. Past disagreements with Australia over the maritime boundary, which had held up development, have to an extent been put aside in favor of revenue sharing agreements. In January 2006, Australia and East Timor signed a treaty on Certain Maritime Agreements in the Timor Sea (CMATS) that increased East Timor's share of hydrocarbon revenues from 18% to 50% for the Greater Sunrise field. In 2005-2006 East Timor earned an estimated \$360 million dollars in hydrocarbon revenues. East Timor is also receiving revenue in a 90%-10% sharing agreement in favor of East Timor under an earlier agreement on the Bayu-Udan field, which has an estimated 400 million barrels of oil and 3.4 trillion cubic feet of gas. Greater Sunrise is thought to contain an estimated 300 million barrels of light oil and 2.53 trillion meters of natural gas.<sup>48</sup> This has been facilitated by completion of a processing centers in Darwin, Australia. East Timor continues to favor a pipeline to East Timor but the configuration of the seabed, lack of trained East Timorese workers or infrastructure, and the potential for instability led industry to favor Darwin. ConocoPhillips has constructed a new liquefied natural gas plant near Darwin. The government of Timor-Leste continues to favor locating a liquid natural gas plant on its southern coast as an alternative to the facilities in Darwin.<sup>49</sup> The Bayu-Udan field is expected to be depleted by 2023 under current rates of production.<sup>50</sup>

It has been reported that East Timor banked between \$3.2 billion and \$5 billion in energy revenues since 2005.<sup>51</sup> Most of the revenues from the oil and gas fields have been placed in a Petroleum Fund. The government of Prime Minister Gusmao was criticized for spending money from the fund. The intent of the fund is to save oil and gas revenues for future generations.<sup>52</sup> Timor's top four export destinations are: Australia (53.7%), Germany (3.9%), Portugal (2.9%), and Brazil (2.2%).<sup>53</sup>

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<sup>48</sup> "Timor Fights to Tap Undersea Gas Field," *SBS News*, September 22, 2008.

<sup>49</sup> Russell Searancke, "Commission to Meet on Sunrise," *Upstream*, May 29, 2009.

<sup>50</sup> "East Timor: Treaty Underpins the Country's Future," *Oxford Analytica*, March 13, 2006.

<sup>51</sup> "Australian Business, Political Delegation Visits Timor," *Agence France Presse*, May 27, 2009.

<sup>52</sup> F. Leyden, "Tropical Attraction," *Herald Sun*, August 2008.

<sup>53</sup> "External Affairs: East Timor," *Jane's Sentinel Country Risk Assessment*, March 9, 2009.

## **Reconstruction, Poverty Reduction, and Development**

East Timor is the poorest country in Asia and one of the poorest in the world. Its economy has been described as a dual economy with one part geared toward servicing the international donor community and the other 90% agriculturally based.<sup>54</sup> The violence of 1999 left most of the country's infrastructure devastated. Poverty is widespread with many areas lacking electricity, clean water, good roads or adequate communications. The mountainous terrain is both difficult and infertile. Though the international community has supported East Timor, its rehabilitation needs sustained efforts aimed at job creation, infrastructure reconstruction and development, and improved health conditions and literacy rates. Language may be a problem as observers believe Indonesian is a more widely used working language than the official Tetun or Portuguese.

Significant economic development is required to help the East Timorese people improve their basic standard of living. Experts predict external assistance will remain critical in the post-independence phase, particularly for capacity building in governance, and even as revenue from oil and gas from the Timor Gap has increased. Other economic activity includes coffee and the potential for tourism and fisheries. The United Nations Development Assistance Framework 2003-2005 (UNDAF) provides a strategic road map for U.N. agencies. Other economic challenges include the strengthening of democratic institutions and emerging civil society, education and training of the nation's workforce to develop the new institutions of the state and its economy, the implementation of the rule of law, and rebuilding infrastructure. East Timor is a member of the World Bank and the International Monetary Fund and has indicated an interest in ASEAN membership.<sup>55</sup>

## **Human Rights**

In January 2000, an international commission of inquiry recommended that an international tribunal be established to consider crimes stemming from violence that followed the 1999 independence referendum. Instead, the Indonesian government pursued its own investigation.<sup>56</sup> The Indonesian process led the United States and a number of its allies to express their dissatisfaction.<sup>57</sup> Then-U.N. Secretary General Kofi Annan also expressed his displeasure with the outcome of the Indonesian tribunal. The United States stated that the joint Indonesia-East Timor Commission should not be the only judicial vehicle used.<sup>58</sup> The Serious Crimes Unit (SCU) of UNMISSET, which operated separately from the Indonesian investigation, indicted over 380 for alleged crimes,<sup>59</sup> convicted 55, and acquitted three for their role in crimes associated with the 1999 referendum.<sup>60</sup> The Indonesian process has led to the imprisonment of only one individual for crimes committed in East Timor in 1999.

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<sup>54</sup> Ed Lingao, "East Timor Turns 7," *The Manila Times*, May 20, 2009.

<sup>55</sup> See link to this and other reports at [http://www.tl.undp.org/undp/for\\_download/reports.html](http://www.tl.undp.org/undp/for_download/reports.html).

<sup>56</sup> Paul Barber, "Military Impunity Undermines Democracy," *The Jakarta Post*, August 19, 2004.

<sup>57</sup> "Several Countries Concerned About Trials of East Timor Rights Abusers," *Organization of Asia-Pacific News*, August 25, 2004.

<sup>58</sup> "US Calls for UN Inquiry on Timor," *BBC News*, December 23, 2005.

<sup>59</sup> "East Timor's Foreign Min Opposes Intl Rights Tribunal," *Dow Jones*, September 8, 2004.

<sup>60</sup> See S/2005/99, pp. 6-8 (paragraphs 24-32).

President Gusmao has supported a joint East Timor-Indonesia Commission of Truth and Friendship as the preferred vehicle to deal with past atrocities reportedly in the hope that the two nations can put the past behind them. The first of a series of public hearings to address the atrocities was held in Bali in February 2007.<sup>61</sup> Others have been critical of Gusmao for not holding Indonesia accountable for the atrocities outlined in the Commission for Reception, Truth and Reconciliation in East Timor (CAVR) that documented executions, torture, mutilations, and rape that occurred in 1999.<sup>62</sup> This report released in October 2005 was approximately 2,000 pages long.<sup>63</sup> If Gusmao becomes prime minister, it appears likely that there would be no change in policy on how to resolve past human rights abuses perpetrated by Indonesians at the time of East Timor's independence.

The 2009 State Department Country Report on Human Rights practices in Timor-Leste stated that serious problems with human rights existed including "police use of excessive force and abuse of authority; perception of impunity; arbitrary arrest and detention; an inefficient and understaffed judiciary that deprived citizens of due process and an expeditious and fair trial; conditions in camps for internally displaced persons that endangered health, security, education, and women's and children's rights." The report also stated that although the government "generally maintained control" over the National Police (PNTL) and the Defense Forces (F-FDTL) "there were problems with discipline and accountability."<sup>64</sup>

## **The Debate Over Timing the Withdrawal of a U.N. Presence**

When the mandate of the UNOTIL mission was scheduled to end on May 19, 2006, questions were raised about whether a U.N. presence should remain in East Timor for another year. Supporters of a continued U.N. role argued that East Timor was not ready for a U.N. departure as the institutions of state were too fragile. Although there were a number of the achievements in East Timor, it remained vulnerable. There was a need to improve security services and the judiciary, and to ensure greater institutional transparency and the rule of law, including security and training on the border, electoral assistance, and advisors in the justice and financial sectors. East Timor had also requested that the U.N. maintain a presence.

On the other hand, at the time, the United States thought East Timor should reduce its reliance on direct assistance from the United Nations, though with continuing support from the international community in a number of important political and economic sectors, particularly in strengthening democratic institutions, infrastructure, economic development, and the training of security services.<sup>65</sup> And East Timor could get assistance in other ways from the international community, such as the UNDP, the World Bank, bilateral donors, and expert advisors. Assistance could also come from the United Nations, such as the U.N. Election Needs Assessment Mission, without infringing on East Timor's sovereignty.

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<sup>61</sup> "East Timor Hearings Highlight Enduring Wounds with Indons," *Australian Associated Press*, February 23, 2007.

<sup>62</sup> Fabio Scarpello, "Politics and Poverty Hopes Rest Firmly on East Timor's First Post-Independence Election," *South China Morning Post*, April 7, 2007.

<sup>63</sup> See <http://www.cavr-timorleste.org/> and United Nations, Report of the Secretary General on Justice and Reconciliation for Timor-Leste," S/2006/580, July 26, 2006.

<sup>64</sup> *2008 Human Rights Reports: Timor-Leste*, Department of State, Bureau of Democracy, Human Rights, and Labor, released February 25, 2009.

<sup>65</sup> United States Mission to the United Nations, Press Release #28, February 28, 2005.

These opposing views reflect an interesting debate in the timing of the departure of the United Nations (or other entity coordinating post-conflict reconstruction efforts) from fragile states. Questions emerge about the length of time the United Nations should remain, what support is still required of the international community; and the appropriate criteria to measure effectiveness of aid and progress in national capacity building. With donor fatigue and limited budgets for humanitarian crises and development assistance among many donors, there are many pressures for assistance, and as the East Timor situation demonstrates, many complicating factors in determining the right course of action.

## Chronology<sup>66</sup>

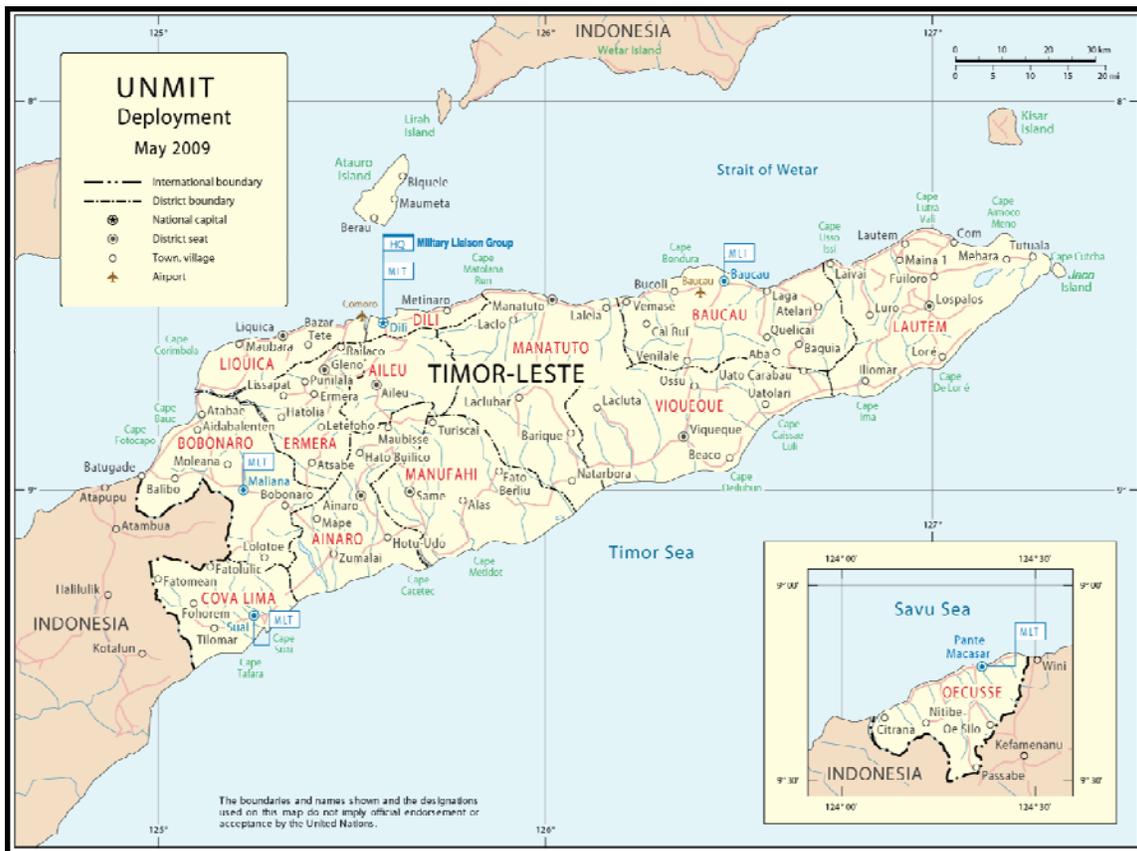
|           |  |
|-----------|--|
| 1640s     | The Portuguese begin their period of influence over East Timor.  |
| 1975      | Fretilin declares independence on November 28 and Indonesia invades East Timor on December 7, 1975. Resistance, repression, and famine lead to the death of an estimated 200,000 by the end of Indonesian rule in 1999.  |
| 1999      | The U.N. Mission in East Timor (UNAMET) is established in June to organize a referendum and oversee the transition. East Timorese then overwhelmingly vote for independence in the UN sponsored referendum on August 30. Some 1,300 East Timorese are killed and hundreds of thousands are displaced as a result of post referendum attacks by pro-Indonesian militias. The International Force East Timor (INTERFET) is established under Australian command and deployed on September 20. This is followed by the U.N. Transitional Authority for East Timor (UNTAET) from October 1999 to May 2002. |
| 2000      | An international commission of inquiry recommends that a special tribunal be established to look into post referendum violence of 1999.  |
| 2001      | On August 30, East Timor holds elections for a Constituent Assembly to draft a new constitution. East Timor and Australia sign an MoU on Timor Sea oil and gas fields.   |
| 2002      | East Timor gains its independence on May 20. The United Nations establishes the U.N. Mission of Support in East Timor (UNMISSET), which is extended until May 2006. The Truth and Reconciliation Commission opens. Indonesia opens its inquiry into the atrocities.  |
| 2004      | Production at the Bayu-Udan oil and gas field begins in the Timor Sea. Only one individual, Militia Leader Eurico Guterres is convicted by Indonesian courts for abuses in the post 1999 violence.   |
| 2005      | The U.N. peacekeeping mission leaves East Timor in May. The Joint Indonesian-East Timorese Truth Commission begins.  |
| 2006      |  |
| January:  | East Timor and Australia sign a deal to share revenues from Greater Sunrise field without negotiating the maritime boundary.   |
| February: | Over 400 troops strike over pay and conditions.  |
| March:    | Some 591 troops protesting pay and conditions are dismissed.   |
| April:    | Demonstrations outside the government Palace turn violent.   |
| May:      | Violence mounts: Interior Minister Lobato arms civilian groups and the government appeals for foreign assistance. President Gusmao declares a state of emergency and assumes direct control of security forces. Foreign troops arrive to restore order.  |
| June:     | Prime Minister Alkatiri resigns.   |
| July:     | Nobel Prize laureate Jose Ramos Horta is sworn in as Prime Minister.   |

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<sup>66</sup> Drawn largely from BBC News reporting and "Timeline East Timor," BBC News, January 12, 2007.

- August: The U.N. Integrated Mission in Timor-Leste (UNMIT) is established.
- 2007
- April: First round of presidential elections leads to a run off between Francisco Guterres and Ramos-Horta and Horta wins.
- August: Following June elections Xanana Gusmao becomes Prime Minister as the head of a four-party coalition government.
- 2008
- Attempted assassination of President Ramos-Horta and Prime Minister Gusmao. Rebel leader Reinado killed in the attempt.

**Figure 1. Map of Timor-Leste**



**Source:** Map No. 4286 Rev 6. United Nations, Department of Field Support, Cartographic Section. 2009.

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