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**EAST TIMOR  
PLANNING FRAMEWORK**

**TRANSITION TO INDEPENDENCE**

***JUNE 6, 2000***

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**USAID EAST TIMOR PLANNING FRAMEWORK  
JUNE 2000**

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## EXECUTIVE SUMMARY

USAID has developed an 18-month planning framework for transition and development assistance during East Timor's transition to independence. During this period, USAID's goal is to *enhance East Timorese capacity to manage their transition to an independent democratic state* through projects coordinated with other donors and the East Timorese. These projects are designed to:

- (1) Revitalize Local Economic Activity;
- (2) Strengthen Democratic Development; and
- (3) Improve East Timor's Relations with Indonesia.

Key activities will provide stopgap funds to create employment, encourage community development, support local media, help improve East Timorese relations with Indonesia, and provide assistance in forensics and in establishing the basic institutions of the justice sector. Funded activities will be managed through USAID/OTI/East Timor (employment, community development, media projects), USAID/DG/Washington (forensics and justice), and USAID/Indonesia (NCBA Coffee Project).

Under the overall authority of the U.S. Ambassador in Jakarta and as part of the U.S. Liaison Office in Dili, USAID/OTI will continue to run the USAID office in East Timor for the next 12 – 18 months, providing administrative and logistical support to visiting USG personnel, and conducting assessments, program monitoring, and evaluations. If critical assumptions are met, and given the significant amount of donor trust funds being provided through UNTAET and the World Bank for larger reconstruction and development activities, USAID/OTI plans to phase out of East Timor by the end of FY 2001. At that time, USAID will also reassess conditions and the need for continuing USAID assistance.

## BACKGROUND

For over 300 years, East Timor was occupied or administered by the Portuguese. In 1974, Portugal sought to establish a provisional government and hold a popular assembly to determine the status of East Timor. When civil war broke out, Portugal withdrew as it was not able to control the situation. Indonesia then intervened militarily and soon integrated East Timor as its 27th province. The United Nations never recognized this integration, and both the Security Council and the General Assembly called for Indonesia's withdrawal.

In May 1999, after 25 years of rule over East Timor, the Government of Indonesia signed an agreement with Portugal at the UN Security Council to allow the people of East Timor to choose between greater autonomy within Indonesia, or independence. This agreement stipulated that the UN would conduct the referendum and oversee a transition period pending the outcome.

On August 30, 1999, the people of East Timor voted overwhelmingly against autonomous status within Indonesia, favoring independence. Tragically, the ensuing violence carried out by elements of the Indonesian military and pro-integration militia forces created a humanitarian disaster affecting the entire population by killing or abusing thousands, displacing 500,000 people, destroying communication and transportation systems, and burning most cities and

villages. In October 1999, following the arrival of an international peacekeeping force, the UN Security Council officially declared that East Timor would be administered by the United Nations Transitional Authority for East Timor (UNTAET) for the next two to three years until the UN, in consultation with the National Consultative Council (representatives of the people of East Timor), determines that the East Timorese are ready for full independence.

### **INTERNATIONAL ASSISTANCE**

The UN, foreign donors, and international NGOs were quick to respond to the humanitarian disaster, successfully preventing high morbidity and malnutrition rates through the provision of food and non-food relief. Further, the NGOs provided East Timorese farmers with the seeds and tools they needed to become self-sufficient in food production. At the same time, USAID provided start-up equipment, supplies, and salaries for 26 indigenous Timorese civil society organizations whose offices had been destroyed after the referendum. This assistance enabled local groups to participate in relief work and other efforts to begin rebuilding their country.

At the December 1999 World Bank meeting on East Timor, over 50 countries and international agencies pledged \$522 million in bilateral and multilateral development and humanitarian assistance over the next three years. Donors agreed to contribute to two trust funds – a World Bank administered trust fund for reconstruction projects in all sectors, and the UNTAET administered trust funds to prepare the territory for independence.

### **U.S. FOREIGN POLICY INTERESTS**

East Timor's successful transition to independence is important to the United States from several standpoints. First, East Timor's emergence as a democratic nation will further the overall goals of the U.S. of promoting democracy internationally and in Southeast Asia. Second, the U.S. has major interests in Indonesia's ongoing democratic transformation; resolving the remaining issues affecting Indonesia and East Timor arising from their difficult shared history will be important to Indonesia's own efforts to solidify its democratic system. Conversely, should East Timor collapse into internecine disputes and inter-factional conflict, temptations for future Indonesian interventions would certainly grow, which would undoubtedly pose major problems for U.S. policy interests. Finally, like other UN member nations, the U.S. has an interest in seeing this UN-directed undertaking succeed. Failure, either as a result of institutional shortcomings on the ground or East Timorese feuding, would damage the overall UN image at a time when it faces serious challenges in the Balkans and elsewhere.

### **USAID'S OBJECTIVES IN FY 1999**

- (1) Help meet basic emergency needs;
- (2) Contribute to the conditions required for a fair and credible consultation under the auspices of the UN;
- (3) Promote reconciliation, and;
- (4) Prepare for future development assistance.

These objectives were largely met through (a) emergency relief assistance through USAID/OFDA and FFP to assist displaced persons before the post-referendum crisis and IDPs and refugees after the referendum; (b) assistance to the Carter Center to monitor and report on the security situation, the referendum itself, and post-referendum conditions; and (c) ongoing communications with local partners (including international NGOs, local organizations, other donors, and the UN) to determine viable development projects, including the NCBA Coffee project. On the reconciliation effort, USAID provided support to the Justice and Peace Commission both to establish its office in Dili, and support to the ETPRIDE process which brought key East Timorese pro-independence and pro-integration leaders together for peace and disarmament talks. Unfortunately, their talks did nothing to prepare them for the disaster that occurred after the referendum in which the majority of East Timorese voted for independence from Indonesia.

### **BACKGROUND TRANSITION STRATEGY FY 2000**

East Timor is one of the poorest places in Asia. Approximately 50% of the population lives below the poverty line, life expectancy is 56 years, and only 20% of the population are literate. In the wake of the vote for independence on August 30, 1999, anti-independence Timorese militia supported by elements of Indonesia's military destroyed most of the schools, hospitals, water, power, transport, and communications facilities. In January, the UN estimated that 80% of the Timorese population of about 700,000 was unemployed. While the UN and World Bank have received significant donor commitments for employment generation and reconstruction projects, most of this funding has been slow to emerge.

Timorese were excluded from senior positions in the civil administration under Indonesian rule, resulting in few qualified civil servants remaining after the crisis. The brain drain is acute. After the crisis in the fall of 1999, there were fewer than ten certified lawyers, and only approximately 60 people with any legal training at all. East Timor requires substantial assistance in establishing the justice sector institutions needed to support a democratic polity. There are currently only 32 trained journalists. Finally, there are very few qualified doctors, teachers, health and social workers, persons experienced in finance and management, or persons trained in the basic operations of government.

East Timor's rapid transformation from a province of Indonesia to a transitional state under UN Administration for at least the next two years, has compelled USAID to develop an 18-month Planning Framework that will need to be updated periodically during the expected rapidly changing circumstances. Given the large amount of UN and World Bank trust funds due to begin arriving in East Timor by July 2000, USAID may need to adjust its Planning Framework at that time to avoid duplicating their reconstruction and development efforts.

For the time being, USAID assistance remains critical because of the inability of the UN, World Bank and donor governments to operationalize funding in key sectors before July 2000. During this time, USAID can make an impact by providing stopgap funds to create employment, encourage community development, support local media, help improve East Timorese relations with Indonesia, and provide assistance in forensics and in establishing the basic institutions of the justice sector. Some of these activities, such as the National Cooperative Business

Association (NCBA) and justice sector activities, will need to be supported for at least 18 months, and possibly beyond in the case of the NCBA Coffee Project.

USAID will need to regularly re-assess whether its short-term funding mechanism can continue to bridge or fill gaps in donor funding in key sectors. Given East Timor's small size and population, it is imperative that USAID continue to collaborate with the UN Transitional Authority in East Timor (UNTAET), the East Timorese, and other donors to determine how continued USAID funding can make a significant impact.

### **USAID OBJECTIVES AND EXPECTED RESULTS FY2000 - 2001**

USAID's primary goal in the next two years is to *enhance East Timorese capacity to manage the transition to an independent democratic state* by pursuing the following strategic objectives:

- (1) Revitalization of Local Economic Activity** will be carried out through the National Cooperative Business Association (NCBA) Coffee project and through OTI's in-kind targeted assistance for stopgap employment and community development projects.

**NCBA Coffee Project:** Revitalization of the economy through the restart and expansion of the NCBA coffee project has begun. The office in Dili has been repaired and is operational, with an overall project staff of two expatriates and 237 Timorese. Payment for the coffee is made directly to the farmers, thereby increasing the demand for other goods and services. Some \$3 million of NCBA equipment was damaged, making start-up for this project very costly. Fortunately, the coffee plants themselves remain intact. Assistance consists of improving production techniques to ensure coffee quality, providing processing facilities, and purchasing and marketing coffee for export. Through the cooperatives, NCBA is also providing family planning and maternal and child health services to cooperative members. Continued USAID assistance will enable NCBA to expand the number of health clinics available to members from three to six. To improve access to health services in rural areas, those who are not cooperative members can also obtain health services for an affordable fee.

NCBA is providing training to build local East Timorese capacity in managing the coffee business, including accounting and financial management for administration of coffee production, processing, marketing and sales.

It is not feasible that any other donor or will be in a position to pick up pieces of the NCBA coffee project in the next three years. The project was started in 1994 at USAID's request and continued down the path to sustainability until October of last year when the project was nearly destroyed. In March 1999, USAID was in the process of reviewing a three-year extension for NCBA to ensure stability and expand the project to other coffee growing areas of East Timor. The NCBA project provides assistance to about 30 percent of the coffee growing area of East Timor. In the last seven months, USAID and NCBA have had to restart the project in a country that is just beginning to form basic public and private systems that will be able to respond to the long term needs of its citizens.

USAID will continue to work closely with the UNTAET Transitional Office of Agriculture to ensure coordination, as well as assistance in expanding the project into other areas. To date, UNTAET has shown no indication of plans to help continue the project once trust funds are in place. There are no indications that UNTAET or any other donor will pick up the project in the next three years. The Portuguese have sent several delegations to discuss possible involvement in coffee activities, but still do not have the important relationship with coffee growers, nor do they have a programs to support the infrastructure necessary to purchase, process and market coffee. Nevertheless, USAID continues to encouraged their involvement, and anticipate the possibility of Portuguese private businesses buying coffee during the next harvest season a year from now. Still, these private business will only buy non-processed coffee, which will not give farmers the return that they receive through USAID's project. This is why the three-year timeframe is important to establish.

It is expected that USAID's capacity building and will enable it to phase out of supporting funding for the Coffee Project within the year 2003, after the primary objective of incorporating 30,000 farm families into the project is reached, and basic health clinic access is established in Cooperative areas. [Note that these clinics offer only basic care.] An additional 5,000 people will be employed in processing the crop and its transportation to market. Given that no other donors have the capability to take over programming for the Coffee Project, its phase out will not coincide with USAID/OTI's planned exit from East Timor in 2001. Given the fluid transition, exact closeout dates for any USAID project will be difficult to determine until after international trust funds are implemented through UNTAET and World Bank projects.

**Beneficiaries:** The beneficiaries are networks of democratically formed cooperatives of small-scale coffee growing families and rural small entrepreneurs. Expansion of the Coffee Project will include an additional 5,000 farmers per year up to a maximum of 30,000 farm families. Assuming an additional 20,000 people are employed seasonally in the coffee trade, a total of over 170,000 people – about one fourth of East Timor's population -- will benefit from the Cooperatives and through increased delivery of basic health and distribution services.

**OTI's employment and community development activities:** Following a memorandum of understanding among USAID, UNTAET, and a representative of the East Timorese, USAID/OTI began implementation of the Transitional Employment Projects (TEP) in coordination with UNTAET District Administrators and East Timorese representatives in all 13 districts. This joint UNTAET-East Timorese-USAID collaboration provides immediate employment projects and public works in key sectors for large numbers of East Timorese (particularly youth) before the transition to UN and World Bank trust funds in July 2000. Key sectors initially identified include (1) road clean up and rehabilitation; (2) drainage system clean up and maintenance; (3) sports association establishment and facilities rehabilitation; (4) school roofing and other structural requirements; (5) neighborhood clean-ups and tearing down unsafe, devastated public buildings; and (6) community market-place rehabilitation.

OTI began working on the Transitional Employment Projects (TEPs) in February 2000 and currently has funding to continue through July 2000, except for the hardest hit districts where OTI will continue TEP activities in collaboration with the International Organization for Migration (IOM) through December 2000. While the UN and the World Bank had expected to take over funding of the employment program by July 2000, there are indications that this will not be possible until August or September 2000 given the slow movement of donor trust funds. **If OTI is to remain flexible and continue supporting TEP activities beyond July 2000, additional funds for two months of TEP programming through OTI must be identified as soon as possible.**

TEPs will be phased out gradually in terms of worker numbers. In the hardest hit districts of Covalima, Bobonaro, Oecussi, and Aileu, where the majority of refugees from West Timor are returning, OTI is collaborating with IOM (International Organization for Migration) to implement TEPs for an additional 6 months. With OTI funding (approximately \$254,000), and matching funds from IOM, programming in the areas of carpentry workshops, market rehabilitation, school re-roofing and tool banks will benefit approximately 5,000 East Timorese (including returning refugees). To insure a smooth transition OTI should continue providing assistance through the TEPs until larger donors such as the World Bank and UN begin actively delivering their programs.

**Beneficiaries:** At least 13,000 East Timorese women, men, and youth (approximately 15 – 19 years old) will benefit from OTI's community-led development projects. The target is to employ at least 1,000 East Timorese from each of the 13 districts. A longer-term TEP project with IOM is expected to benefit approximately 5,000 East Timorese in the hardest hit districts of Covalima, Bobonaro, Oecussi, and Aileu.

**Results:**

- (a) **National employment rate improved** through the provision of jobs, job training, and support through cooperatives;
- (b) **Community-led development increased** through support to local organizations providing opportunities for East Timorese to participate in community projects;
- (c) **Community facilities and district infrastructure rehabilitated** through OTI's employment projects;
- (d) **Crime rates and community tensions reduced** by providing salaried job opportunities to men and women, and particularly youth who might otherwise be penniless, bored, and desperate for something to do;
- (e) **Indigenous participation in economic recovery revived** through the NCBA Coffee Project and USAID/OTI's support of micro-enterprise activities – particularly for women's traditional crafts;
- (f) **Timorese confidence in UN Administrative Authority improved** through USAID/OTI's collaboration with UNTAET on the Transitional Employment Projects (TEP) as stopgap employment measures before UN and World Bank trust funds arrive;
- (g) **More productive workforce resulting from improved health** through the expansion of the NCBA Coffee Project health services.

- (2) **Democratic Development Strengthened** through USAID/DG/Washington's provision of forensic assistance and support to establish basic institutions of the justice sector, support to NGOs providing political development and elections assistance, and through USAID/OTI's assistance and training for local media and the development of media regulations, as well as support to indigenous civil society organizations providing civic education in the areas of democracy, voter education, and human rights advocacy and training.

**DG Forensics Assistance and Support to Establish Basic Institutions in Justice:** This will help an urgent investigations of atrocities in East Timor. Those responsible for documenting past human rights abuses in East Timor lack basic understanding of how to conduct such investigations, have little access to the needed expertise, and possess little to none of the specialized equipment necessary to conduct effective investigations. The activity will support East Timorese efforts to monitor the ongoing human rights situation, respond effectively to current human rights abuses, establish basic judicial institutions. This will include planning a court system, prosecutorial authority, public defense and other essential elements of a legal system. Human resource development and training programs will begin to alleviate the severe human resource shortages that currently handicap East Timor in this sector. Technical assistance, training and equipment will be targeted based on an inter-agency assessment of institutional requirements and priorities.

**Beneficiaries:** Judges, prosecutors, public defenders and others will receive training under the project. Indirect benefits will reach East Timorese citizens engaged in justice sector actions.

**Media Support:** OTI will provide training and equipment for local media, and is helping to develop media regulations through a grant to Internews. Training and equipment support may also be provided for the development of community radio following a UN assessment. It is urgent that OTI provides training to journalists in East Timor. The journalists who are currently reporting on news events and providing scarce information to the Timorese people were trained under the repressive Indonesian New Order. They have no experience exercising the rights and responsibilities that are inherent in a free press. This lack of experience and training can and does result in inaccurate, biased, or even dishonest journalism in this new, unrestricted environment. It is vital, during the beginning stages of this democracy, that journalists are trained as members of a free press. The desired result is that journalists in East Timor earn the trust of the people and gain the credibility that is fundamental to the press in a successful democracy.

At the moment, while other donors are planning journalism training activities, none are being implemented in East Timor. OTI intends to fill the gap in journalism training through the end of CY 2000, at which time other donors' journalism training programs, including UNTAET, UNESCO, and the Konrad Adenauer Foundation, should be active in East Timor.

**Beneficiaries:** All of East Timor's local journalists will benefit. The general public will benefit from media regulations and improved media coverage of local events.

**Support to Indigenous Civil Society Organizations:** OTI will support indigenous civil society organizations providing civic education in the areas of democracy, voter education, and human rights advocacy and training.

**Beneficiaries:** At least 30 civil society organizations across East Timor will benefit from OTI's in-kind assistance -- equipment, supplies, and technical support. This support will enable these organizations to help their communities participate in the rebuilding of their country through employment, human rights advocacy and training, voter education, civil society education, and other activities such as agriculture, health, water and sanitation infrastructure, reconstruction, micro-credit enterprise activities.

**Results:**

- (a) **Professional and objective media established or revived** through media training for journalists and media professionals and through legal advice and on drafting of broadcast regulations for the media;
  - (b) **Indigenous civil society organizations' participation in political processes strengthened** through support to Timorese civil society organizations. Success is seen already from several of the East Timorese civil society organizations funded by USAID, who are participating with the international community on the development of a transitional administrative and legal framework for East Timor. Other donors have recently requested information regarding USAID local partners, and are reviewing follow-on proposals submitted by them;
  - (c) **Increased participation of women in political processes/decision-making** by supporting activities that provide political empowerment training to women, and by ensuring that all activities target women as well as men beneficiaries;
  - (d) **Successful, free and fair elections carried out** through USAID/DG's technical assistance to East Timorese civil society groups and political parties, and through OTI support to local Timorese groups to provide voter education to the general public through grassroots education workshops, public service announcements, and assistance for public debates;
  - (e) **Democratic justice institutions established** through USAID/DG support of justice sector professionals who will be trained to operate basic justice sector institutions, such as a judiciary, a prosecutorial authority, and public defender services.
- (3) Relations with Indonesia Improved:** through USAID's support of reconciliation activities, and continued purchase of goods for East Timor from Indonesia.

**Reconciliation Activities and Trade with Indonesia:** This includes a number of activities supported through USAID/DG/Washington and USAID/OTI to assist to the justice sector, local human rights organizations, and cross-border news and information exchange between East and West Timor. USAID/OTI and the NCBA Coffee Project will continue to purchase some of their equipment and supplies for East Timor from businesses in Indonesia, creating an awareness among Indonesian businessmen of the importance of maintaining good relations with East Timor.

**Beneficiaries:** Beneficiaries include the East Timor legal system (and justices trained), and the populations of East and West Timor, who will receive more credible and accurate information about local issues and increased access to trade.

**Results:**

- (a) **Reconciliation advanced** through assistance to the justice sector, which will enable authorities to more effectively and efficiently investigate and prosecute human rights abuses and other atrocities. Reconciliation will be advanced through USAID/OTI's support of indigenous human rights organizations;
- (b) **Objective exchange of news between Indonesia and East Timor increased** through USAID/OTI/Surabaya and USAID/East Timor's programs with civil society, religious, and media groups in West and East Timor – and support of local news exchanges between Indonesia and East Timor, and;
- (c) **Trade between Indonesia and East Timor encouraged** through OTI's continued purchase of goods for East Timor from Surabaya and possibly West Timor.

### **EMPHASIZING WOMEN DURING EAST TIMOR'S TRANSITION**

As former citizens of Indonesia for the past 27 years, women in East Timor have faced the same challenges as women across Indonesia. Women in East Timor have suffered some of the the worst human-rights violations committed by elements of the Indonesian military: According to International Human Rights groups and individual testimonies, they have been raped in the presence of family members, forced to marry Indonesian soldiers, subjected to torture, and forcibly sterilized. USAID assessments and discussions with local civil society organizations and other East Timorese have found that the transition to an independent state has left Timorese women without a significant increase in decision-making power. Nevertheless, UNTAET has voiced a commitment to increasing women's participation in the development of East Timor.

USAID has long recognized the benefits and importance of emphasizing the participation of women in both transitional and development projects. When women have the opportunity to equally participate in local and national decision-making processes, issues particular to them become addressed – issues like maternal and child healthcare, distribution of resources, abuse of women by the state (e.g. forced sterilization, rape by the military) or domestically (e.g. condoned spousal abuse), women's lower literacy rates, sex discrimination in hiring, and others.

Since the referendum in East Timor, USAID has provided funding for a number of local civil society organizations addressing women's issues: FOKUPERS, Forum Komunikasi Untuk Perempuan (Communication Forum for East Timor Women), CDHTL, Comissao Dos Direitos Humanos de Timor Leste (East Timor Human Rights Commission), POSKO Emergency Aid, PAS, Prontu Atu Servi (Ready to Serve), ETWAVE, East Timor Women Against Violence and Children's Care, DSMTL, Dewan Solidaritas Mahasiswa Timor Loro Sae (East Timor Student Solidarity Council - ETSSC), Sahe Institute, OMT, and Organizacao da Mulher Timor (Timorese Women's Organization). Projects include trauma counseling for women, emergency shelter for widows of war and their children, data collection and support of newly identified cases regarding violence against women and children, establishment of a Women's Program and information

center which will house a women's program library and provide civic education for women, and training and employment generation projects for women.

In all activities, USAID will require grantees to provide information on the number of women beneficiaries. USAID will also provide technical advice on how grantees can conduct programs that are inclusive of both men and women. In USAID/OTI's Transitional Employment Projects (TEPs), USAID, UNTAET and the East Timorese representatives have agreed to ensure a gender balance by identifying projects that target women (particularly if there is a low participation of women on some of the work crews). USAID/OTI has developed a database where data regarding women's participation is compiled for every activity. USAID will continue to evaluate the ongoing needs of women in East Timor.

**USAID'S COMPARATIVE ADVANTAGE IN EAST TIMOR**

- (1) **USAID/OTI's funding mechanism is able to provide rapid stopgap funding to local Timorese civil society organizations, local media groups and even UN offices to address immediate needs.** Immediately after the September 1999 crisis, USAID fielded an assessment mission, and by November 1999 was providing in-kind grants to give local Timorese organizations the equipment and supplies they needed to re-start their activities and participate in the relief and rehabilitation effort. During this time OTI also funded interpreters for the UN because UNTAET had no resources to do so and was not able to communicate effectively with local organizations. Six months after the referendum, other donors are now beginning to develop strategies of assistance and provide support to local organizations in East Timor. OTI's funding mechanism also allowed it to provide immediate stop-gap funding for the Transitional Employment Projects (TEP), a project developed in coordination with UNTAET and the East Timorese, in advance of UN and World Bank trust funds arriving;
- (2) **USAID was able to establish a field presence in East Timor quickly through OTI, with several expatriate staff and a dozen local Timorese and Indonesian staff qualified in program and grant management, logistics, finance, and administrative organization.** USAID's office is open and accessible to all in East Timor, and provides logistical and administrative services to visiting USG officials and assessment missions. UNTAET is now staffed to about 60%; AUSAID is the only donor that has maintained an office throughout the crisis and after; and the Japanese are due to open an office in East Timor later this month;
- (3) **USAID/Indonesia's previous relationship with the National Cooperative Business Association (NCBA) allowed it to immediately continue helping the Coffee cooperatives assist some 17,000 members (who, with their families comprise about 10% of the population) continue selling their coffee for export.** USAID can expand this program to support as many as 30,000 families, which would benefit a quarter of the population of East Timor. Given the Cooperative's presence in rural areas of East Timor, along with a commitment to addressing the health needs of its members, the Cooperative is in a unique position to expand its health clinics to address the poor health conditions non-cooperative members;
- (4) **USAID has an OTI field office in Surabaya, Indonesia, that has built relationships with civil society organizations and businesses in East Java and West Timor that are working to improve relations between the two countries.** For example, USAID/OTI in East Timor is able to procure supplies from Indonesia, given the contacts that the operational staff in Surabaya have with suppliers in East Java. Further, USAID/OTI in Surabaya has been working with a number of organizations in West Timor to ensure the exchange of accurate information between West and East Timor;
- (5) **USAID/DG/Washington has established close working relationships with experienced technical organizations to provide highly skilled advice and training in the areas of democracy, the development of law and justice, and elections assistance.**

## CRITICAL ASSUMPTIONS

Critical assumptions regarding the success of USAID's strategic framework in East Timor are:

- (1) **East Timor will transition peacefully to independence in the next two years.** If the East Timorese completely lose confidence in UNTAET, or resort to civil war, USAID must immediately revise its Planning Framework in East Timor. Having a USAID office in Dili, strong relationships with the developing US Diplomatic office in Dili, UNTAET, Timorese, and staff who frequently travel to rural areas throughout the country enables USAID to keep abreast of political, social and economic developments in East Timor;
- (2) Through ongoing coordination with UNTAET, the East Timorese, the World Bank, and other donors, **USAID remains confident that its program Planning Framework is justified and continues to have a comparative advantage with respect to other donor funding and programming.** Once UNTAET and World Bank trust funds arrive and concrete programming is underway, USAID may need to re-evaluate its Planning Framework; but because USAID has been working very closely with all parties (UN, World Bank, other donors, East Timorese), it is more likely that its program strategy focus will remain consistent;
- (3) **UNTAET will develop a timeframe and methodology for transferring power to the East Timorese,** including developing a clear strategy for the organization of an election;
- (4) **Indonesians and East Timorese take concrete steps to reconcile.** For example, a) Former pro-integrationist East Timorese are able to return to East Timor without retribution, b) Indonesian government holds responsible those who led or participated in the post-referendum violence in East Timor September 1999, c) East Timor and Indonesia regularly exchange information, continue to hold regular discussions among their leadership, and encourage their constituencies to reconcile. If these steps do not materialize, USAID will coordinate with the US Diplomatic Office to determine what additional, if any, steps it can take to help further reconciliation.

## USAID OFFICE IN EAST TIMOR – ADMINISTRATIVE AND PROGRAM SUPPORT

USAID established an office in East Timor, staffed with three expatriates (PSC Program Manager, and two DAI contractors, in addition to short term staff) and a dozen East Timorese and Indonesian local hires, at the following address:

### USAID

ATTN: Country Program Manager

Light House Area No. 11, Farol

Dili, East Timor

Handphone: 61-419-850-275

Local Phone: (6729) 390-321-705, FAX: 1-505-218-9553

Email: justin\_sherman@dai.com, or getu\_reta@dai.com

USAID expects that OTI will continue to operate the USAID office in East Timor during an 18 month program period and will be able to provide administrative and logistical support to visiting USG personnel. USAID/OTI staff will manage or participate in rapid and medium term assessment missions, program monitoring and evaluations. USAID/Indonesia will provide technical assistance and support to the East Timor office when required or requested. The East Timor office will provide logistical and administrative support (including use of office space, assistance in arranging meetings, transportation and housing for visiting State Department staff) when necessary until the U.S. Diplomatic Office is fully established.

## **USAID EAST TIMOR PLANNING FRAMEWORK LINKED TO WORLDWIDE GOALS**

This Planning Framework is clearly linked with USAID's Worldwide Strategy to achieve enduring economic and social progress through the following goals: (1) Broad-based economic growth and agricultural development encouraged; (2) Democracy and good governance strengthened, and (3) Lives saved, suffering associated with natural or man-made disasters reduced, and conditions for political and/or economic development reestablished.

## **COORDINATION**

East Timor will likely be under the authority of UNTAET for at least the next 18 months, or until basic administrative functions are re-established and a new Timorese government is democratically elected. Elections are currently planned for summer 2001. During the period of UNTAET authority, donors must coordinate all program planning with the relevant UNTAET offices to ensure activities do not overlap. UNTAET's NGO and Donor Coordination offices are responsible for holding regular coordination meetings. USAID has already established relationships and is coordinating its activities with the following organizations:

- (1) **UNTAET** offices in Dili and UNTAET District Administrators in all 13 districts;
- (2) **Key East Timorese representatives** including the CNRT and local media organizations;
- (3) **Key indigenous civil society organizations** including student groups and NGOs;
- (4) **International NGOs**, and;
- (5) **Other primary donors** such as CIDA, New Zealand, AUSAID, Portugal, the World Bank.

USAID's NCBA Coffee Project, community-led development programs, and media development efforts have the endorsement of UNTAET and the World Bank. In particular, the Transitional Employment Projects (TEPs) are being operated in an extraordinarily coordinated fashion and are one of the top priorities for the UN for the next three months.

## **ROLE OF THE UN**

In October 1999, the UN Security Council resolution 1272 gave the UN Transitional Authority in East Timor (UNTAET) overall responsibility for the administration of East Timor. During the transition to an independent state, UNTAET is empowered to exercise all legislative and executive authority, including the administration of justice. UNTAET's mandate consists of the following elements:

- To provide security and maintain law and order throughout the territory of East Timor;
- To establish an effective administration;
- To assist in the development of civil and social services;
- To ensure the coordination and delivery of humanitarian assistance, rehabilitation and development assistance;

The United Nations has been given the authority to oversee and administer East Timor's transition to independence for the next two to three years. For this transition to be successful, the East Timorese must have confidence in the UN's administration. Initially, the East Timorese people appeared to accept UNTAET's role. However, by January 2000, after the initial humanitarian crisis began to subside, many East Timorese felt left out of the process of rebuilding their new country. While UN and other international organizations and donors brought in expatriate staff, traveled in new vehicles, and began paying high prices for accommodations in Dili, much of the East Timorese population had been stripped of everything they owned and were left on the sidelines.

Hundreds of East Timorese participated in a protest against a UN agency during a day of job interviews that required use of the English language – which few could speak. Hundreds more protested against what they felt were unfair wages from two other UN agencies. Donors are hoping that with the arrival of the trust funds and implementation of larger scale employment and reconstruction schemes this summer, Timorese will regain confidence in UNTAET and tensions will begin to abate. Further, the UN Special Representative to the Secretary General (SRSG) has voiced a commitment that the UN will mentor Timorese in every area of administration currently filled by expatriate staff.

During initial assessments, USAID staff interviewed numerous students, former teachers, civil society organization representatives, representatives of the local media, members of the CNRT, returning East Timorese, and former civil servants to gauge local opinions of the current state of affairs. Many East Timorese openly say that they bear no ill will against the Indonesians, and that they are just happy to have gained independence; however, they would like to be able to participate more actively in the process of building their country. More comprehensive surveys of public opinion about the Timorese role in the building of their nation are required, and must be carried out soon to help guide donor program direction.

### **EXIT STRATEGY FOR USAID EAST TIMOR**

In the short term, USAID has the mechanisms, technical expertise, and a history of working in local relationships to provide critical assistance where it's most needed in East Timor. Recognizing that the stability of East Timor and its successful transition to independence is important to the region, USAID will provide assistance to those sectors that have been identified in coordination with the transitional authority, UNTAET, the East Timorese, and other donor governments.

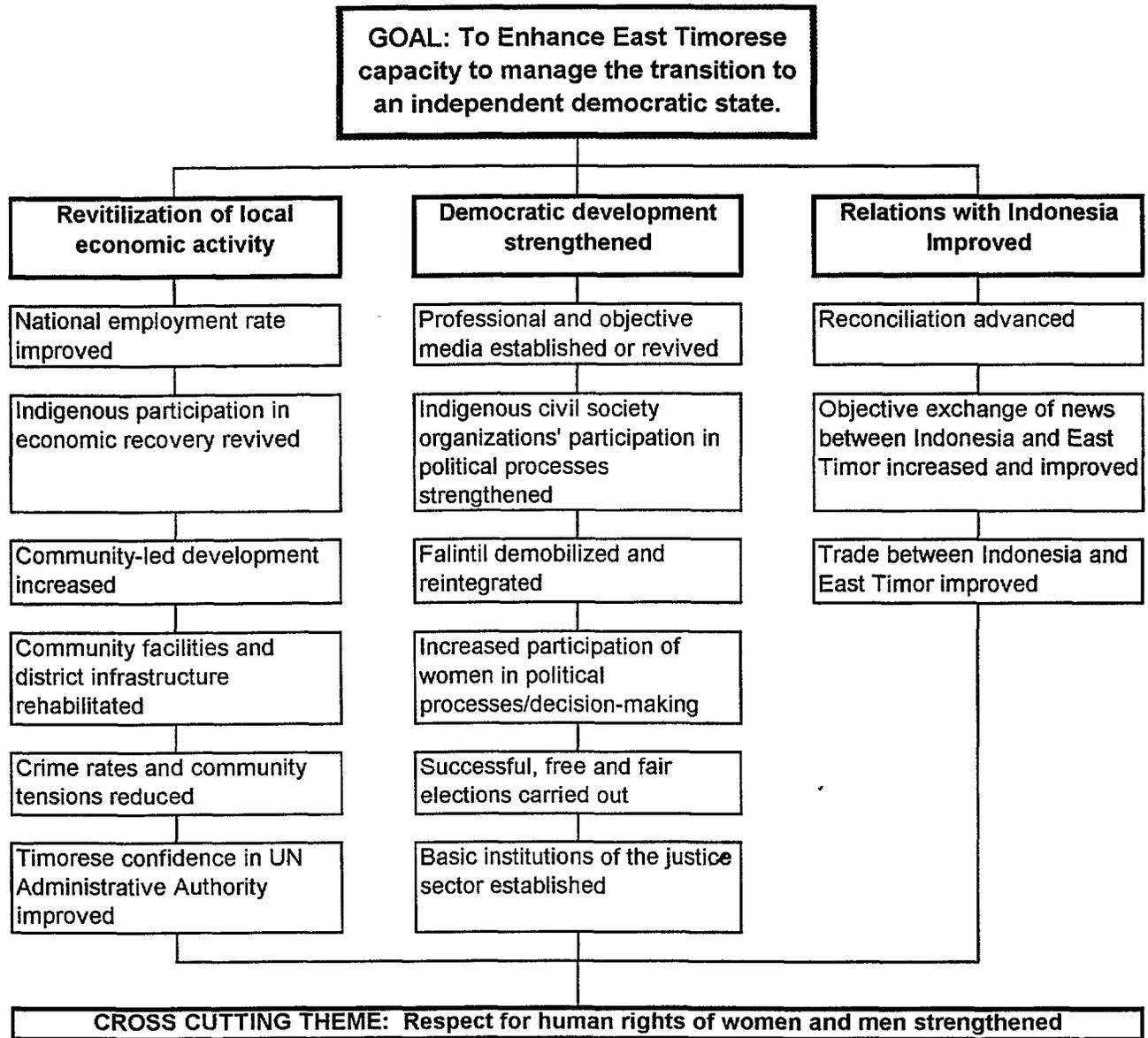
USAID's exit strategy and closeout will be undertaken in two phases. As a precursor to the first phase, the UN trust funds are now expected to arrive by August or September 2000. Once

programs are underway later in 2000, OTI will re-evaluate its role in East Timor to determine whether or not it can continue playing a critical role in the transition. Second, once USAID/OTI is confident that the UN and World Bank trust programs are fully funded and engaged, it will begin to phase out and then close down its OTI program in East Timor. USAID/OTI's mandate is to provide rapid, flexible assistance for countries undergoing transition. Its comparative advantage is providing immediate stopgap funding support for critical sectors. It is important to USAID/OTI that it exit a country when it's short-term, immediate funding mechanism no longer plays a significant role in a country's transition. Therefore, as long as the critical assumptions hold true, USAID/OTI plans to close out of East Timor 18 months after *its inception, by September 31, 2000*. By this time, OTI expects that the UN and World Bank will have taken over its job creation and community development activities, UNTAET will have taken over its civil society development activities, and UNTAET, UNESCO, and the Konrad Adenauer Foundation will be actively implementing media assistance programs.

USAID will continue the NCBA through 2003, while exploring funding possibilities. In Spring 2001, USAID/Indonesia will conduct an assessment of the situation in East Timor to determine if future options should be developed. At the same time, USAID/ Washington will review its justice activities with other donors to determine if and how they merit continuance.

ATTACHMENT 1

USAID EAST TIMOR STRATEGIC FRAMEWORK



## ATTACHMENT 2

**RESOURCES REQUIRED FOR PROGRAM IMPLEMENTATION**

Following are USAID's total program funding requirements for East Timor, based on a program through FY 2001.

**Not included in this table is an urgent requirement to obligate Operational Expense (OE) funding for USAID/ANE to allow for travel and administrative support of staff to and from East Timor.**

USAID OFFICE	FY 1999 and 2000 ACTIVITIES	FY99/00 FUNDS Obligated or Planned (\$M)
USAID/ANE	NCBA Coffee project	\$8.0 ESF00
USAID/OFDA	Emergency food, non food assistance through International NGOs (CARE, CRS, WV, etc)	\$16.0 IDA
USAID/FFP	Food commodities	\$20.2 TITLE II 99/00*
USAID/OTI	In-kind grants to local Timorese for employment, community development, media, and civil society; Technical assistance for legal reform, media development; other stop-gap funding when critical	\$0.3 DA99 \$1.0 IDA99 \$0.2 ESF99 \$12.0 ESF00 \$1.5 IDA00
USAID/DG	Forensics and human rights assistance; Judicial training and rule of law	\$1.4 ESF00 \$1.0 ESF00
	<b>TOTAL</b>	<b>\$61.6</b>

USAID OFFICE	FY 2001 ACTIVITIES	FY01 FUNDS Expected (\$M)
USAID/ANE	Continued support for development of NCBA Coffee project Final phase of support for NCBA Coffee project, insuring sustainability/possible sourcing of other donor funding including the UN or World Bank	\$4.0 ESF
USAID/OTI	Continued in-kind grants to support local Timorese for employment, community development, media, and civil society; Technical assistance for legal reform, media development; other stop-gap funding when critical Continued stop-gap funding as necessary, program phase-out	\$2.0 ESF \$1.0 IDA
USAID/DG	Continued support for rule of law and judicial systems; potential democracy training and elections support, insuring that if continued technical assistance is necessary, the program will be followed through by another donor.	\$2.0 ESF \$1.0 DA
	<b>TOTAL</b>	<b>\$10.0</b>

*Note: Most USAID/FFP and OFDA FY1999 and 2000 funds have already been expended. Figures above do not include other USG funding. For example, the State Department's PRM office allocated \$26.1 million for humanitarian assistance (primarily through UNHCR, ICRC), and \$4.5 million ESF funds committed to trust funds for UNTAET and the World Bank in FY1999 and 2000.*

## Draft Parameters Cable for East Timor Planning Framework

1. The following responds to the questioned resulting from the review of the East Timor Strategy for the period FY 2000-2001. We agree that the time frame mentioned in the Strategy should remain flexible given the slow start for both UNTAET and World Bank/ADB programs in East Timor. While UNTAET and the World Bank anticipate that funding for their programs will be underway in the near future. Of the \$31.52 million pledged in Tokyo for the UNTAET Trust Fund for development activities, \$28 million has been committed. For the World Bank/ADB Trust Fund of \$146,93 million, only \$38 million has actually been transferred to the fund. Still a long way to go.
2. We agree and expect that with the establishment of UNTAET and World Bank programs and UN offices across Timor, USAID's comparative advantage will diminish. Nevertheless, to date our counterparts in East Timor have a great deal of skepticism about the UN's ability to take over any bilateral projects, particularly the coffee project. This project began in 1994 and it wasn't until the 1998 growing season that we began to see some signs of sustainability. In the short term, there are no UN staff with the capability to work closely with the Timorese Coffee Cooperative to take over the implementation of the project.
3. We agree with the statements concerning the importance of the elections. UNTAET is depending on the presence of USAID partners in preparing for elections and follow-up with additional assistance once elections have been completed. Given that elections are now planned for June 1, 2001 it is important that OTI remain in place until this follow-up work, such as insuring that the public understands the election results, is complete. Therefore, at the present time, we recommend staying with the September 30, 2001 closure date. OTI agrees to remain flexible if circumstances change.
4. There is a misunderstanding concerning the NCBA health clinics. These are small primary health clinics managed by Timorese nurses that provide health services for villagers with upper respiratory problems, malaria, and other common health problems in these areas. All serious cases are referred to better-equipped health facilities in Dili. We certainly agree with the redundancy issue and continue to coordinate with UNTAET on this concern and have suggested that this program could be a model for the rest of East Timor. Until UNTAET's establishes an East Timor health system, USAID continues to have the comparative advantage and will continue to provide the only health service available to villagers in the coffee growing areas.
5. Responses to the parameters:

Timeframe: Recommend that OTI remain in East Timor at least through September 30, 2001. This is particularly important given the planned June 2001 elections. This will allow OTI to finish the employment program, provide programming support for the elections, provide assistance to East Timorese civil society organizations in the

areas of civic education and advocacy skills, and provide assistance for a professional, objective media in East Timor.

Recommend that the Coffee project continue with USAID support through the year 2003. It is not feasible that any other donor or will be in a position to pick up pieces of the NCBA coffee project in the next three years. The project was started in 1994 at USAID's request and continued down the path to sustainability until October of last year when the project was nearly destroyed. In March 1999, USAID was in the process of reviewing a three-year extension for NCBA to ensure stability and expand the project to other coffee growing areas of East Timor. The NCBA project provides assistance to about 30 percent of the coffee growing area of East Timor. In the last seven months, USAID and NCBA have had to restart the project in a country that is just beginning to form basic public and private systems that will be able to respond to the long term needs of its citizens. Therefore, the 18-month timeframe is not feasible. We continue to work closely with the UNTAET Transitional Office of Agriculture to ensure coordination and have encouraged them to help us expand the project into other areas. To date we have not seen any movement on their part and they continue to assess and study what we are doing and how they may help. To date, we do not have the confidence that UNTAER or any other donors will pick up the project. The Portuguese have sent several delegations to discuss their involvement in the coffee again but so far they do not have the important relationship with coffee growers yet nor do they have a programs to support the infrastructure necessary to purchase, process and market coffee. We welcome their involvement and have encouraged them to get involved again. We anticipate the possibility of the Portuguese private business buying coffee during the next harvest season a year from now but they will only buy non processed coffee which will not give the return to the farmer that they now receive through our project. Therefore, the three-year timeframe is important to establish.

6. **Activities:** The activities articulated in the strategy remain in effect. We have proposed that our effort concentrate on Coffee, the main long-term income earner in this agriculture based country, as well as with OTI efforts in the employment projects, support to local civil society, support for the elections and follow-up, and support for the development of a professional, objective media in East Timor. Forensic and Justice sector will work closely with offices in Washington both State and USAID and will in most cases be managed in the future by the Embassy Liaison Officer in Dili.
7. **Conflict Analysis:** As we have stated in the past, the most critical activity in the short-term is employment. Both OTI and the NCBA coffee project now employ some 15,000 and 100,000 or more Timorese respectively. These efforts must continue and in OTI case it is essential that there be no gap between OTI efforts and the hand-off to World Bank and UNTAET employment programs. The growing conflict between political parties and the urgent need to resolve the status of Falintil is another area that USAID must follow. UNTAET is working with the East Timorese to determine what should be done in regards to the demobilization of Falintil. Depending on

UNTAET's capacity, USAID/OTI may be asked to assist with support for demobilized persons (vocational training, employment, etc).

8. **Media Support:** OTI will provide training and equipment for local media, and is helping to develop media regulations through a grant to Internews. Training and equipment support may also be provided for the development of community radio following a UN assessment. It is urgent that OTI provides training to journalists in East Timor. The journalists who are currently reporting on news events and providing scarce information to the Timorese people were trained under the repressive Indonesian New Order. They have no experience exercising the rights and responsibilities that are inherent in a free press. This lack of experience and training can and does result in inaccurate, biased, or even dishonest journalism in this new, unrestricted environment. It is vital, during the beginning stages of this democracy, that journalists are trained as members of a free press. The desired result is that journalists in East Timor earn the trust of the people and gain the credibility that is fundamental to the press in a successful democracy. At the moment, while other donors are planning journalism training activities, none are being implemented in East Timor. OTI intends to fill the gap in journalism training through the end of CY 2000, at which time other donors' journalism training programs, including UNTAET, UNESCO, and the Konrad Adenauer Foundation, should be active in East Timor.
9. **Results:** We agree with your idea of a "planning framework" and the need for flexibility as we try and understand the direction that UNTAET takes in their very difficult efforts of establishing a new country. We are working on these indicators and look forward to receiving the new ADS 200 series to help us to complete this important effort.
10. **Management:** USAID/Jakarta is capable of providing technical assistance and support to the East Timor office from time to time. In most cases, program funding will cover these requirements. However, we request that Washington establish a modest OE account in the amount of \$30,000 to cover other costs. For example, the Mission Director or others who will be asked to travel to East Timor to accompany the Ambassador, a USAID official or a Congressman who frequently want to inspect our programs. This amount will need to be increased once OTI departs o/a September 30, 2001. Again, these trips by mission staff will be strictly controlled. We believe, in the case of the Judiciary component of the program that it should be Washington's responsibility to manage this component in coordination with the East Timor Unit in Jakarta. Given that USAID/Washington informed us about the Judiciary component, we duly added this into the strategy. This can be managed on the ground by the US Embassy Liaison officer in East Timor.
11. **Suggestion:** Given the UN, State Department, and Congressional interest in East Timor, we suggest that Washington designate a person in the ANE Bureau that has primary responsibility for East Timor.

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APPROVED BY: AID/AA/ANE:RRANDOLPH AID5761

AID/DAA/ANE:KTURNER AID/ANE/ESA:GANDERSON (DRAFT)

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TAGS:

SUBJECT: PARAMETERS FOR EAST TIMOR PLANNING FRAMEWORK

1. A PARAMETERS MEETING FOR USAID'S EAST TIMOR PROGRAM WAS HELD ON MONDAY, APRIL 24. THE MEETING WAS CHAIRED BY AA/ANE ROBERT RANDOLPH. ATTENDEES INCLUDED TERRY MYERS, DIRECTOR, USAID/INDONESIA AND REPRESENTATIVES FROM ANE, G, BHR, M AND PPC.

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2. AA/ANE CONGRATULATED THE MISSION ON ITS PERFORMANCE IN EAST TIMOR WHICH HAS WON PRAISE FROM VARIOUS STAKEHOLDERS, INCLUDING SOME KEY STAFFERS ON THE HILL. AA/ANE THANKED THE MISSION FOR PREPARING AN EXTREMELY COMPREHENSIVE CONCEPT PAPER. USAID DIRECTOR MYERS

PROVIDED A BRIEF OVERVIEW OF USAID'S EAST TIMOR PROGRAM HIGHLIGHTING OTI'S QUICK INTERVENTIONS WHICH GENERATE CRITICAL EMPLOYMENT OPPORTUNITIES AND PROVIDE A BRIDGE BETWEEN TIMORESE AND INTERNATIONAL NGOS. USAID'S ASSISTANCE TO THE COFFEE COOPERATIVE HAS ALLOWED FOR SOME FOCUS ON LONGER TERM ISSUES WITHOUT UNDULY TAXING MANAGEMENT RESOURCES. OTI EMPHASIZED THE GOOD COLLABORATION BETWEEN USAID/I AND OTI'S EAST TIMOR OFFICE.

3. THE CONCEPT PAPER REFERS TO AN 18-MONTH TIMEFRAME. PARTICIPANTS AGREED THIS IS A USEFUL, THOUGH NOT A FIXED, PLANNING PERIOD GIVEN THE FLUIDITY OF THE SITUATION ON THE GROUND AND, IN PARTICULAR, THE STATUS OF THE UNTAET AND WORLD BANK TRUST FUND PROGRAMS. ALTHOUGH OFF TO A SLOW START, PROGRAM IMPLEMENTATION FOR BOTH FUNDS SHOULD BE WELL UNDERWAY IN THE NEAR FUTURE. IT WAS NOTED THAT OVER 520 MILLION DOLLARS HAS BEEN PLEDGED FOR EAST TIMOR SO THAT FUNDING AVAILABILITY SHOULD NOT BE AN ISSUE.

4. USAID IS PLAYING A MAJOR CATALYTIC ROLE IN THE EARLY STAGES OF TRANSITION. OUR ACTIVITIES DESIGNED TO GENERATE EMPLOYMENT HAVE BEEN SUCCESSFUL THE CONCEPT PAPER CORRECTLY IDENTIFIES USAID'S COMPARATIVE ADVANTAGE AS ITS ABILITY TO PROGRAM FUNDS QUICKLY,

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PARTICULARLY IN REBUILDING EMPLOYMENT IN PRE-EXISTING COFFEE COOPERATIVES. WITH THE INITIATION OF WELL-FUNDED UN AND WORLD BANK PROGRAMS AND THE ESTABLISHMENT OF UN OFFICES ACROSS TIMOR, THIS COMPARATIVE ADVANTAGE WILL DIMINISH. THAT IS, AS USAID ACHIEVES SUCCESS IN QUICK-START EMPLOYMENT ACTIVITIES, WE SEE OTHER BILATERAL AND MULTILATERAL DONORS TAKING THE LEAD IN SUPPORTING THIS AND OTHER PROGRAMS AIMED AT PROMOTING SUSTAINABLE DEVELOPMENT IN EAST TIMOR. WE EXPECT THIS SHIFT TO TAKE PLACE WITHIN AN APPROXIMATE 18-MONTH PERIOD.

5. IT IS ALSO LIKELY THAT THIS TRANSITION FROM QUICK-STARTS TO SUSTAINABLE DEVELOPMENT WILL ENCOMPASS ELECTIONS. THE WORLD COMMUNITY WOULD PROBABLY VIEW SUCCESSFUL ELECTIONS AS A LITHMUS TEST FOR EAST TIMOR'S Foothold ON DEMOCRATIC GOVERNANCE AND OVERALL STABILITY. GIVEN USAID'S EXTENSIVE WORLDWIDE EXPERIENCE AND RECENT SUCCESS IN ASSISTING INDONESIA WITH ELECTIONS, WE WOULD EXPECT TO PLAY AN IMPORTANT

ROLE IN THIS PROCESS, NOTING OUR COMPARATIVE STRENGTHS IN MOBILIZING CIVIL SOCIETY AND CONDUCTING CIVIC EDUCATION, AS WELL AS LOGISTICS PLANNING.

6. THERE WAS ALSO DISCUSSION ON THE POSSIBILITY OF A ROLE FOR USAID IN HEALTH SERVICE DELIVERY, WITHIN THE CONTEXT OF THE NCBA COOPERATIVE SYSTEM AND/OR THE BROADER UNTAET PUBLIC HEALTH PROGRAM. THE MAIN ISSUE IS WHETHER WE SHOULD BE PROMOTING PARALLEL HEALTH SYSTEMS, I.E., ONE WITHIN THE COOPERATIVE STRUCTURE AND THE OTHER FOR THE GENERAL PUBLIC. WE NEED TO

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EXPLORE THIS CAREFULLY SO THAT WE DO NOT CREATE REDUNDANCIES OR, WORSE YET, DISTORTIONS IN ACCESS TO

AND QUALITY OF HEALTH CARE. WE ALSO WONDER WHETHER HEALTH CARE DELIVERY SYSTEM IN THE COOPERATIVES COULD SERVE AS A REPLICABLE MODEL FOR THE REST OF EAST TIMOR.

7. BASED ON THESE DISCUSSIONS, PARTICIPANTS AGREED ON THE FOLLOWING PARAMETERS:

8. TIMEFRAME: THE FRAMEWORK SHOULD SPECIFICALLY IDENTIFY THE TIMEFRAME FOR THE PROPOSED ACTIVITIES. DISCUSSION OF CURRENT USAID ACTIVITIES SHOULD INCLUDE AN ANALYSIS OF THE FEASIBILITY OF OTHER DONORS PICKING UP THE ACTIVITY AND/OR SPECIFY OTHER TURN-OVER OR PHASE-DOWN MEASURES. USAID'S GOAL, TO THE EXTENT FEASIBLE, IS TO PLACE NCBA ON A PATH TOWARD SUSTAINABILITY WITHIN THE NEXT 18 MONTHS, ASSUMING THAT DONORS WILL PICK UP WHATEVER ASSISTANCE IS NECESSARY FOR NCBA TO REACH FULL SUSTAINABILITY.

9. THIS ANALYSIS WOULD LEAD TO THE FUNNELING OF USAID'S CURRENT PORTFOLIO TOWARD AN INCREASINGLY NARROW RANGE OF ACTIVITIES WHERE USAID HAS A CLEAR COMPARATIVE ADVANTAGE VIS-@-VIS OTHER BILATERAL AND MULTILATERAL DONORS. THUS, USING THE FUNNEL ANALOGY, IT IS ANTICIPATED THAT OTI'S JOB CREATION ACTIVITIES WOULD PHASE OUT OR BE TURNED OVER TO OTHER DONORS WITHIN THE NEXT SIX MONTHS. NCBA ACTIVITIES SIMILARLY WOULD BE PUT ON A SUSTAINABLE PATH OVER THE NEXT 18

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MONTHS OR SO. ASSISTANCE FOR ELECTIONS, ASSUMING THEY  
WOULD BE HELD WITHIN THE NEXT TWO YEARS, WOULD BE THE  
REMAINING FOCUS OF USAID'S BILATERAL ASSISTANCE. IN  
THIS REGARD, MORE DETAIL ON WHAT OTHER DONORS ARE  
DOING AND/OR WHAT SECTORS THEY INTEND TO FOCUS ON  
WOULD BE USEFUL.

10. ACTIVITIES: THE FRAMEWORK SHOULD CLEARLY  
ARTICULATE WHICH ARE THE MOST CRITICAL ACTIVITIES FOR  
USAID AND WHY. IN ADDITION TO THOSE OUTLINED ABOVE,  
IT SHOULD EXPLAIN THE NEED FOR URGENT ATTENTION TO  
JOURNALIST TRAINING AND ITS DESIRED RESULT.  
SIMILARLY, PLEASE CLARIFY THE NEED FOR PRIORITY  
ATTENTION TO THE FORENSICS/JUSTICE SECTOR.

11. CONFLICT ANALYSIS: THE CONCEPT PAPER NOTES THE  
POSSIBILITY THAT EAST TIMOR COULD COLLAPSE INTO  
INTERNECINE DISPUTES AND INTER-FACTIONAL CONFLICT.  
SINCE STABILITY IS THE USG'S OVER-RIDING CONCERN, THE  
FRAMEWORK SHOULD INCLUDE A BRIEF ANALYSIS OF THE  
LIKELIHOOD OF SUCH CONFLICT, THE KEY FACTORS THAT ARE  
LIKELY TO EXACERBATE TENSIONS, AND THOSE USAID  
ACTIVITIES THAT ARE WORKING TO MITIGATE THESE FACTORS.

12. RESULTS: A FULL-BLOWN STRATEGIC PLAN IS NOT  
APPROPRIATE FOR USAID'S TRANSITION PROGRAM IN EAST  
TIMOR. INSTEAD, AND IN CONSULTATION WITH PPC AND M,  
WE ARE OPTING FOR A "PLANNING FRAMEWORK" THAT IS MORE  
FLEXIBLE AND RESPONSIVE TO THE CURRENT CONTEXT IN EAST  
TIMOR. FOR EXAMPLE, WE ONLY NEED TO IDENTIFY A FEW  
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KEY RESULTS THAT ARE WITHIN THE MANAGEABLE INTEREST OF  
AND MOST CLEARLY DEFINE USAID'S PROGRAM, AS OPPOSED TO  
A FULL SET OF INDICATORS WITH A DETAILED PERFORMANCE  
MONITORING PLAN. FYI: THIS TYPE OF FRAMEWORK IS  
OUTLINED IN THE NEW ADS 200 SERIES, WHICH IS STILL IN  
DRAFT BUT SOON TO BE APPROVED. ANY QUESTIONS ON WAT  
THE DOCUMENT SHOULD CONTAIN SHOULD BE ADDRESSED TO  
DAVID ROBINSON IN ANE/SEA/RPM.

13. RESOURCES: CONSISTENT WITH THE ADMINISTRATION'S  
REQUEST, THE PLAN SHOULD ASSUME UP TO 10 DOLS MILLION  
ESF FOR FY01 FOR USAID ACTIVITIES.

14. MANAGEMENT: THE CONCEPT PAPER NOTES THAT

USAID/INDONESIA WILL PROVIDE TECHNICAL ASSISTANCE AND SUPPORT TO THE EAST TIMOR OFFICE WHEN REQUIRED AND REQUESTED. PARTICIPANTS NOTED THAT THE ANE BUREAU HAS NOT BUDGETED ADDITIONAL OE RESOURCES FOR EAST TIMOR. THE FRAMEWORK SHOULD IDENTIFY MORE CLEARLY THE LEVEL OF EFFORT ANTICIPATED AND INDICATE WHETHER (AND WHAT AMOUNT OF) ADDITIONAL OE IS NEEDED, PARTICULARLY IN LIGHT OF OTI'S PLANNED DEPARTURE. GIVEN THE BURDENS ON USAID/INDONESIA STAFF, THE MISSION SHOULD SEEK TO MINIMIZE THE NUMBER OF MANAGEMENT UNITS ASSOCIATED WITH THE PROGRAM. IN PARTICULAR, PARTICIPANTS QUESTIONED THE EFFICIENCY OF A WASHINGTON UNIT MANAGING THE JUDICIAL COMPONENT OF THE PROGRAM.

15. NEXT STEPS: MISSION IS REQUESTED TO SUBMIT THE PLANNING FRAMEWORK BY JUNE 2 SO THAT IT CAN BE REVIEWED PRIOR TO THE NEXT ROUND OF DONOR MEETINGS

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NOW SCHEDULED FOR JUNE 21.  
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25.