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FY 2009 FOREIGN ASSISTANCE GOALS

Timor-Leste continues its transition from a post-conflict country to one focused on poverty reduction. Timor-Leste is developing friendly relations with its neighbors, working to become a member of the Association of Southeast Asian Nations, and engaging with the rest of the world through its participation in the United Nations and other developmental forums.

While progress is being made, the Government is aware that its development agenda was significantly hampered by the violence and upheaval that took place in 2006. Although Timor-Leste has enjoyed over two years of uninterrupted peace and stability, the potential for conflict still exists. The judicial system and security institutions, in particular, require assistance and training in order to contribute to continued peace and stability. Economic growth since independence has yet to deliver improved living conditions for much of the population, and a large, unemployed, and increasingly disillusioned younger generation represents a major potential source of conflict and unrest. In addition, the United Nations and Australia have announced plans to withdraw all peacekeeping forces by 2012, which heightens the need to accelerate security capacity-building efforts for indigenous institutions.

As one of the country's largest contributors of foreign assistance, the United States seeks to help the Government of Timor-Leste (GoTL) overcome these difficulties by contributing to its stability and security, building its institutional capacity, strengthening democracy, improving health status, and promoting economic growth. The broader efforts of the U.S. Mission include the following objectives: to support the security services to become more non-partisan, competent, and professional, as well as to regain the trust and confidence of the Timorese people; to strengthen the key foundations for good governance, to bolster the rule of law and human rights, and support the development of civil society; to provide essential assistance to health-related programs and water and sanitation and hygiene; and to provide support to accelerate economic growth including investments to enhance agricultural sector productivity, strengthen private sector competitiveness, and increase access to economic opportunities. United States Government (USG) assistance programs in Timor-Leste support our national priorities by promoting stability and seeking to make

Timor-Leste a partner for progress. This fiscal year the U.S. Mission has demonstrated solid progress towards achieving shared GoTL-USG goals in all program areas.

HIGHLIGHTS BY PROGRAM OBJECTIVE

Peace and Security

The USG continued to intensify its engagement with Timor-Leste in the security sector through a series of military-to-military engagements, the permanent deployment in Timor-Leste of a detachment of the U.S. Navy Mobile Construction Battalion, and the first-ever bilateral defense consultations. In addition, the USG sent a group of key policymakers to the Asia Pacific Center for Strategic and Security Studies in Hawaii further to refine their first-ever draft national security policy, a document that is expected to contribute to the strengthening of the legal infrastructure of the country's security institutions.

The International Law Enforcement Academy in Bangkok continues to train dozens of Timorese law-enforcement officials. A Resident Legal Advisor from the Department of Justice has been assigned to Timor-Leste to assist with law enforcement and justice sector development. The USG also strengthened law enforcement capacity by co-funding the construction and establishment of a computer-based training facility at the National Police Academy. In FY 2010, the USG hopes to offer additional law enforcement training, including in investigation and border management.

The first detachment of the U.S. Navy Mobile Construction Battalion completed its six-month rotation in Timor-Leste, during which they completed nine school-related projects touching over 105,000 community members in three different districts. They also completed a number of outreach projects with the Timorese military and the International Stabilization Force. The second detachment had already arrived before the end of FY 2009, and has continued this work and intensified bilateral cooperation with the Timorese military's engineering unit. As a result, the USG was able to complete 10 defense engineering and community relation projects, exceeding the initial target of three; the USG expects to increase the target to 15 in FY 2010. Some of the projects focusing on water and sanitation or health were implemented in coordination with the U.S. Agency for International Development (USAID) and bilateral military exercises. The GoTL is committed to continued partnership with the United States as it reforms and strengthens its security institutions.

The USG's conflict mitigation and reconciliation pilot programs far exceeded several targets, particularly due to the large number of people attending USG-funded activities geared towards mitigating conflict between groups and at specific training sessions on conflict mitigation/resolution skills. As a result, approximately 500 people were trained in conflict mitigation and resolution skills (exceeding the target of 300). Moreover, the 308 USG-funded activities that were specifically geared toward mitigating conflict attracted over 20,000 participants (exceeding the target of 3,200).

Youth, as the most at-risk demographic in this program area, are the focus of several activities. Young people from two historically volatile districts have been trained in conflict mitigation skills and constructive methods of working to better their communities, rather than take part in conflict. Training provided to community members through USG-assisted programs in this area imparts skills to these communities and as such reduces tensions in conflict-prone areas.

As a result of programming in this area, the return of internally displaced persons to one of the most troubled neighborhoods in Dili proceeded without major conflicts. In addition, the programs work directly to educate communities on the appropriate and respective roles of the police and military, and to help them build productive relationships with the local police authorities. The blurring of the

roles and responsibilities between the police and military and misunderstandings of these roles on the part of local communities has contributed to tension and conflict in the past. Host country support for the above-listed activities is strong and will continue in the coming year.

Governing Justly and Democratically

USG assistance spearheaded several key seminars and training sessions that resulted in the first-ever collaboration between the Ministry of Justice and the Timorese legal aid community on drafting a law that would provide for and regulate state-subsidized legal aid. Assistance to the Superior Councils of the Magistracy and Prosecution has resulted in the approval of some crucial laws, including the remuneration statute of the Judicial Magistrates, Public Prosecution and Public Defenders, which increased the salary of judges, prosecutors, and public defenders. The law set the foundation for legal guidelines and the prevention of corruption in the justice sector.

The USG supported the development of the *Suco* (village) election legal framework resulting in the passage of the *Suco* election law by Parliament, promulgation of the law by the President, and the subsequent conduct of the elections on October 9, 2009 for all 442 *Suco* councils. USG assistance supported the development and operationalization of a coalition of five local civil society organizations that provided civic education and voter education to a total of 1,400 domestic observers. Additionally, 1,501 district and sub-district coordinators for the local *Suco* elections were trained. The elections were declared free and fair, voter turnout was almost 80 percent, and violations occurred at fewer than 2 percent of polling stations. USG assistance also supported the first-ever candidate debates at the *Suco* level. As a result of this programming, more Timorese citizens had an opportunity to cast votes based on constituent issues rather than candidates' personalities, and the Timorese electoral framework is now consistent with international best practices.

While much has been accomplished, major challenges remain in this program area, such as building the capacity of two important organizations – the Technical Secretariat for Electoral Administration and the independent Electoral Commission – that have overlapping mandates and large staffing needs. The USG will continue to assess this program area for further assistance, as the prospects for achieving a long-term positive impact are good.

In FY 2009, 350 journalists (nearly 43 percent of whom were women) were trained with USG assistance. In partnership with the University of Timor-Leste, USG assistance continued to support a course on the “Introduction to Social Communications.” The USG is the only donor active in media education at the university level, and its programs impact 175 students enrolled in USAID-funded courses that covered topics such as Understanding Communications Theory, Writing, and Ethics. The impact of programming in this area promotes freedoms of speech and of the press, as well as an independent and sustainable press – a major tenet of a democratic society.

While the Timorese Government does not tend to interfere in civil society activities, it has shown interest in pursuing a media law and a mass media and communications policy that, if adopted, would limit the freedom and independence of the media in Timor-Leste. USG programs address this policy issue by providing technical assistance on media law to civil society groups lobbying to promote a law that supports media freedom. In FY 2009, USG-supported journalists and civil society organizations successfully lobbied Parliament to shelve the restrictive media law, and pushed for further development and consultations.

Investing in People

In FY 2009, the Ministry of Health delivered essential maternal and child health and family planning services for its first full year. Implementing the Basic Service Package nationwide was made possible through USG-funded technical assistance. As a result, all district health facilities, including the GoTL's village outreach program (known as the Community Health Integrated Services – SISCa), now reach the most underserved rural populations once per month in all 442 villages.

In the area of family planning and reproductive health, targets were significantly exceeded for every indicator. One of the most noteworthy is the Couple-Years of Protection indicator that reached 15,585 beneficiaries, well in excess of the targeted 1,358, and almost double the FY 2008 level of 8,962. The reasons for success include a scale-up of the program, and an improved supply of quality contraceptive commodities, which minimized gaps in distribution. The number of counseling visits conducted for family planning/reproductive services was 25,972; well above the target level of 12,631, and more than double the FY 2008 mark of 11,483.

Progress in maternal and child health is reflected by the high number of children who participated in USG supported nutrition programs. More than 29,000 children were recipients of USG-funded nutrition programs, exceeding the projected target of 26,844 children, and almost triple the number of children served in FY 2008. Success can be attributed to the increased prioritization of nutrition promotion through the SISCa program, and a corresponding increase in demand for the service as mothers began to understand the correlation between malnutrition and under-five mortality.

For the past two years, the Government has listed water and sanitation access as one of its national priorities, and USAID has responded to the country's request for assistance. USG water and sanitation programs, working closely with both the GoTL and non-governmental organizations (NGOs), achieved key successes in this first year of the program. The program is designed to provide greater access to potable water, sustainable water systems, and community development by transferring necessary knowledge and skills of water, sanitation, and hygiene concepts and practices to local stakeholders. In a short period, stakeholders increased their capacity to resolve managerial and technical problems at the local level. Despite the program's delayed implementation due to a lengthy approval process within the Ministry of Health, 683 local stakeholders were trained in FY2009, exceeding the target of 440. The GoTL remains very supportive of USG assistance both water and sanitation and health sector strengthening.

Economic Growth

The USG's efforts to increase private sector competitiveness is comprised of three initiatives: business training for small business with encouragement to join business associations; workforce development, upgrading three agricultural vocational schools, and self-development courses run by local NGOs; and a process for recording land claims. Noteworthy results include providing management training to over 1,000 people, conducting workforce development programs for over 1,500 young people, and recording more than 4,000 land claims and establishing more complete property rights.

Interventions under the program area of economic opportunity were directed towards creating more commercially viable private sector enterprises, particularly agribusiness ventures, by identifying market opportunities, linking business actors to the market, providing access to technology and technical training, and improving access to quality business services, including those that support the hospitality and tourism industries. In addition, increasing the awareness among young people regarding the concept and practice of entrepreneurship was a general theme. Because of these

interventions, over 1,200 micro-enterprises participated in value chains and a similar number received business development services. U.S. assistance also encouraged these small firms to join business associations, in part to increase their lobbying impact. One of these, the Women's Business Association of Timor-Leste (Associação Empresarial das Mulheres de Timor-Leste), articulates the concerns of businesswomen. These associations will become self-reliant over time and already finance at least half their operating costs. The GoTL remains very supportive of USG assistance as food security, agriculture, and human resource development are national priorities.

Looking to the future, a stable Timor-Leste will be a valuable U.S. partner in multilateral fora. The Government and people of Timor-Leste are eager to partner with the United States. The partnership with the GoTL is strong, with similar views on the need to create appropriate conditions for security, stability, and prosperity to benefit all of the people of Timor-Leste.