

Out of the Ashes: Destruction and Reconstruction of East Timor

Abstract for chapter 16

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In ‘The Joint Assessment Mission and reconstruction in East Timor’, an outline is given of how the Joint Assessment Mission (JAM) arose and why it was brought into existence, as well as the areas it supervised or covered.

JAM arose from a meeting on 29 September of the donor organizations. Both Xanana Gusmão and José Ramos Horta sent a strong message at that time that while East Timor was in need of international support during the period of reconstruction, any assistance should be well co-ordinated and should be identified in a joint process with East Timorese representatives.

JAM was ‘joint’ in two senses: first, every international member was paired with an East Timorese expert, including the mission co-ordinator and deputy; second, the international side of the mission came from a broad range of bilateral and multilateral donors and international organisations.

While one of the key benefits of JAM was the increase in knowledge and skills for mission members, the real impact must be judged by the results it produced on the ground: the humanitarian program winding down; the reconstruction programs up and running.

Keywords

AusAid, civil service, CNRT, humanitarian agencies, IMF, Joint Assessment Mission (JAM), José Ramos Horta, UNTAET, World Bank, Xanana Gusmão

The Joint Assessment Mission and reconstruction in East Timor

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On October 29, a group of 24 people drove into Dili from Comoro airport. They watched through the windows of the UN bus as a vista of burnt houses, bombed banks and businesses and waving kids spread out before them. For some of the group, this was their first visit back to the country in 24 years – for all it was the first sight of the reality behind the news footage of destruction. This was the first group to arrive in East Timor to assess reconstruction needs, as part of the Joint Assessment Mission (JAM) of East Timorese and international specialists. In order to be able to look beyond immediate humanitarian needs, the group was tasked with identifying priority reconstruction programs and with assessing the cost of reconstruction.

The World Bank, which was responsible for co-ordinating the mission, had created a separate East Timor program in April 1999. This included contributing to an analysis on the East Timorese economy and poverty situation to a Columbia University study, and organising training on reconstruction planning and economic management for five East Timorese economists in Washington. As the ballot approached, the Bank discussed with the President

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of the CNRT, Xanana Gusmão, and with the United Nations Department of Political Affairs, facilitating a training seminar on reconstruction planning with both pro-independence and pro-integration sides of the then-to-be-formed consultative commission. This – it was planned – would lead to a meeting of donors in Washington at the end of September to discuss East Timor’s reconstruction needs.

As jubilation after the ballot quickly turned into a concerted campaign of violence, all these plans disappeared in a puff of smoke. East Timor burnt. We went back to consult with both the UN and Timorese leadership. Should we continue with the Washington meeting in September? Yes, was the answer – now more than ever, international support and resources would be needed to repair the damage caused after the ballot. The donors’ meeting of 29 September was addressed by Xanana Gusmão and José Ramos Horta, who sent a strong message that international support to reconstruction in East Timor, whilst desperately needed, should be well co-ordinated and should be identified in a joint process with East Timorese representatives. In response, the September meeting endorsed the idea of a Joint Assessment Mission on reconstruction in East Timor.

The Joint Assessment Mission was ‘joint’ in two senses. Firstly, every international member was paired with an East Timorese expert, including the mission co-ordinator and deputy. This was critical in ensuring the input of Timorese knowledge of conditions and priorities. More indirectly, the joint teams also ensured that the whole mission acted as a capacity-building exercise on reconstruction planning for the East Timorese mission members. Secondly, the international side of the mission came from a broad range of bilateral and multilateral donors and international organisations. Mission members were contributed by the Asian Development Bank, Australia, the European Union, Japan, Portugal, the United Kingdom, UNDP, UNHCR, UNICEF, USAID, WHO and the World Bank.² UNTAET assigned a deputy co-ordinator to the mission, who was responsible for ensuring compatibility with the United Nations Security Council resolution on East Timor. The

² Other UN agencies, in particular OCHA and WFP, also provided a great deal of help on the ground.

mission was accompanied by a concurrent mission of the International Monetary Fund (IMF). The Bretton Woods institutions were involved unusually early on in East Timor, with a view to ensuring that economic perspectives entered right at the beginning of the debate on reconstruction priorities and costs.

The Joint Assessment Mission addressed eight sectors: community empowerment (dealing with local-level initiatives for social and economic reconstruction); macroeconomic management; civil service; judiciary; agriculture; education; health; and infrastructure. A fairly standard approach was used by each team. Teams spent one day in Darwin, discussing terms of reference and issues to be covered internally between team members. On arrival in Dili, teams in general spent the first one to two days in the capital, making contact with local specialists, ex-civil servants and international organisations in their areas. Each team then made field visits. Teams such as agriculture and infrastructure, for whom it is critical to get out and see the physical condition of buildings and crops, and talk with communities, spent almost all their time outside Dili. Input from communities was taken through meetings held in each sector team, and by a large town hall meeting in Dili which was addressed by Mario Carrascalão and Klaus Rohland, the joint mission leaders. Comments made at this meeting addressed not only urgent priorities for the population, but also strong feelings about respecting Timorese tradition and culture in the development of the aid program.

Working and living conditions were difficult during the assessment, reflecting the devastation which the population at large had experienced. All 50 team members lived in tents, sharing one big auditorium at the back of the governor's office. Water and electricity were intermittent, and team members on field visits ate military rations. Keeping this 'tent city' organised and reasonably sanitary was a full time job during the mission.³ Critical assistance was given by UNTAET and AusAID, who provided most of the materials necessary for the mission. Everything from drinking water to military rations were flown in from Darwin with the assistance of UNTAET and AusAID: without this help the mission would have been impossible to conduct.

³ Lisa Campeau, who organised the logistics for the JAM, achieved the impossible in this regard.

What were the main results of the assessment? Economically, the country has taken a major hit, in particular in the modern sectors. The mission estimated that GDP dropped by approximately 40 per cent in 1999 due to the disruption caused by the violence and population displacement. Buildings and equipment in the small modern sector were comprehensively destroyed or looted, including the complete destruction of the banking system infrastructure. Depositors lost access to savings held in the Indonesian banking system.⁴ Power generation and distribution capacity was gravely damaged. Whilst road and transport infrastructure were not deliberately targeted, lack of maintenance and heavy use by military vehicles have caused a substantial deterioration. The return of Indonesians has caused a shortage of skilled personnel for the secondary and tertiary sectors, where Timorese were very often excluded from holding technical positions. However, there are reasons for cautious optimism. Production of staple foods, which constitutes the base of the Timorese economy, should revive substantially over the coming year to 65-70 per cent of 1998 levels. The coffee crop, a critical export earner, is estimated to come in during 2000 at levels consistent with the East Timor average.

Institutionally, the total collapse of the state is the critical area blocking rapid reconstruction. The civil service is not currently functioning at any level in East Timor. Over 70 per cent of administrative buildings have been partially or completely destroyed, and almost all office equipment and consumable materials have been destroyed. Government archives have been destroyed or removed. Accurate figures are not available on the number of civil servants remaining in the territory, but at least 20-25 per cent – those estimated to be of Indonesian origin – are likely to have left. Indonesian civil servants were concentrated in the higher grades and skilled technical positions, so this creates a serious skill deficit for the civil service. The Joint Assessment Mission concluded that institutional capacity at the local level had been less severely damaged than at the central level – whilst the Indonesian local governance arrangements have been rejected by the population, other traditional or resistance local structures are functioning.

In the social sectors, even prior to the post-ballot violence, East Timor under Indonesian occupation was characterised by very low

⁴ Unless they are able to travel to Indonesia to withdraw funds, an option which is not open to most families.

education and health outcomes: life expectancy was only 55 years and literacy rates were low. In health, this precarious situation has been further threatened by population displacement, psycho-social stress, food insecurity, breakdown of water and sanitation and the collapse of almost all health services. The health system has lost all fixed equipment and consumables, and 130 out of 160 physicians. 75-80 per cent of primary schools were estimated during the mission to have been partially or completely destroyed, and the secondary school sector lost approximately 80 per cent of its teachers. Most textbooks and teaching materials were looted or destroyed.

The priorities identified during the mission covered a gamut of reconstruction initiatives, designed to take over as the humanitarian program wound down in around June 2000. Rehabilitation of physical infrastructure was of course a priority in all sectors, but was accompanied by identification of programs to restart agricultural activities and – over three years – improve productivity; to substitute teachers and doctors and train Timorese health and education workers; for local governance and community empowerment and support to Timorese culture; and for capacity-building in the civil service and judiciary. In total, the programs recommended by the Joint Assessment Mission reached a budget of \$302 m over three years.

Some of the most sensitive recommendations were in the area of the civil service. The Joint Assessment Mission recommended that the civil service be reconstituted with only 12 200 civil servants, down from over 28 000 before the ballot. The mission noted that the Indonesian civil service had been characterised by:

- over-staffing, with 3.4 per cent of the population compared to an Asian average of 2.6 per cent;
- too many layers of bureaucracy for a small country, fostering inefficient decision-making and opportunities for graft;
- duplication of functions between line ministries and decentralised departments;
- a top-down organisational culture, with little community participation and marginalisation of traditional local decision-making structures; and
- exceptionally low pay levels, encouraging the establishment of legal and illegal fringe benefits.

A smaller leaner civil service was to allow for more professionalism, supported by higher wage levels than the Indonesian civil service. These recommendations were at all times strongly supported by the Timorese leadership.

How were relations between the Timorese and international team members? Press reports midway through the mission alleged criticisms from Xanana Gusmão, and unhappiness on the part of Timorese team members that their opinions were insufficiently respected by international counterparts. Most of this seems to have been misreporting by the press, and a survey of Timorese team members by their own co-ordinators showed that they wished the joint assessment model to be repeated in other aid programming missions. There were many heated debates between mission members as recommendations were developed, but this was, after all, a major objective of the exercise – to ensure that Timorese priorities and international aid perspectives were brought together to the table and a common path forward agreed upon.

The mission recommendations were taken to a donor meeting in Tokyo on 17 December, co-chaired by SRSG Sergio Vieira de Mello and World Bank Vice President Jean-Michel Severino. This meeting – the first ever donor meeting jointly chaired by the World Bank and the UN secretariat – was innovative in jointly presenting the humanitarian program, the recurrent budget together with reconstruction financing needs.

The Tokyo meeting was attended by over 25 donor countries and 15 UN agencies and NGOs. Discussions at the meeting focused on institutional mechanisms to ensure rapid disbursement of aid, and the need for Timorese leadership at all levels in planning and implementing the aid program. Pledges by donors at the meeting totalled US\$522 m, of which US\$149 m was dedicated to humanitarian needs, with the remainder split between the recurrent and development budgets. Donors gave an unprecedented level of support to the two trust fund mechanisms established during the meeting: over US\$215 m was pledged to the World Bank trust fund for reconstruction and the UNTAET trust fund for recurrent budget and civil service capacity-building. The East Timorese leadership, UNTAET and the Bank agreed with donors that six-monthly meetings would be held to review progress on the reconstruction program and adjust cash flow and financing needs.

What seem to be the lessons of the donor co-ordination process which centred around the Joint Assessment Mission? We are still at the beginning of the reconstruction phase in East Timor, and it is difficult to identify all the strengths and weaknesses. My own – personal and preliminary – evaluation points to the following:

Economic reconstruction assessment missions, including involvement of the Bretton Woods organisations, need to occur early on after a conflict. At the time of the East Timor Joint Assessment Mission, several commentators conveyed the view that the assessment was premature: the humanitarian crisis was close to its peak, population movements made situation assessment difficult, counterparts were hard to identify. Yet there is a long lag time between such assessments, mobilisation of funds, programming of reconstruction projects and disbursement on the ground. Going in early meant that the reconstruction programs and projects will start before the humanitarian program winds down – any later, and there would have been a dangerous gap between humanitarian aid and reconstruction assistance. Furthermore, even if humanitarian agencies are taking on the burden of ‘transitional’ economic recovery projects, these are unlikely to be drawn up within the framework of a sustainable macroeconomic program unless a full economic reconstruction mission is launched.

To mitigate the problems of attempting an early assessment, missions need to:

- respect the need to focus most efforts on the immediate humanitarian disaster, by minimising demands of time from counterparts in humanitarian agencies, and supporting humanitarian agencies in mobilising financial resources;
- focus the assessment on arriving at aggregate cost estimates, with appropriate contingency for population movements and other unknowns, not on developing project outlines which may be subject to later change;
- stress to mission members that counterparts – in the usual sense of government officials who can provide data and programmatic direction, and undertake follow-up work – may not be available: mission members need to concretely assist the governing authorities to develop basic data, regulations or policy needed to restart economic activities and social services.

Ensure strong national leadership in the process of defining reconstruction needs, and a balance of local inputs to the process. At the time of the Joint Assessment Mission, CNRT was emerging from a banned movement under Indonesian occupation to being the dominant political force. Ensuring that the mission worked closely with CNRT leadership and technical officials was critical in gaining national ownership of recommendations.⁵ However, it was still important that the Timorese mission members represented a variety of views within the country: whilst all members were nominated by CNRT, CNRT leadership therefore tried to ensure that roughly 50 per cent were not CNRT members. Failures of the mission in this regard were perhaps in two areas:

1. the balance of exiled and internal Timorese representatives on the mission tended rather heavily to the exiles, who represented roughly half of all mission members. Whilst mission members from the diaspora showed an exceptional level of commitment and expertise, this risked a failure to draw input from, and build capacity for, the critical internal cadres who will stay in the country on a permanent basis;
2. there was insufficient time or resources to build a really bottom-up process of defining reconstruction needs. Whilst several consultations were held in Dili during the mission, more time invested might have seen efforts to organise local groups in developing lists of reconstruction priorities.

The process of assessing reconstruction needs can in itself be a capacity-building exercise. One of the key benefits of the Joint Assessment Mission was the increase in knowledge and skills for mission members. On the Timorese side, some mission members had previously worked in the international development sector: for others, it was a first exposure to the approach and analytical tools used by international agencies. The intensive analysis performed during the JAM offered a good opportunity to Timorese mission members to learn new

⁵ This is less simple in a post-conflict situation where a variety of political factions of roughly equal power compete for dominance: in this situation perhaps the only alternative is to attempt to identify, in consultation with all political groups, a group of more-or-less neutral technical experts who will be respected by all sides.

skills. At the same time, it transferred knowledge to international mission members on local conditions and culture, and on the systems operating before the ballot.

Closer co-ordination is needed between the international financial institutions (IFIs) and the UN. The JAM and the Tokyo donors' meeting marked an unusual degree of co-operation between the Bank and the United Nations Secretariat, first the Department of Political Affairs and later the Department of Peace-Keeping Operations (DPKO). However, the timing of the mission, right at the hand-over between the UN personnel who had staffed UNAMET and those who would lead UNTAET, interrupted continuity as the recommendations of the mission started to be implemented. This could perhaps have been avoided by a closer co-ordination between UNAMET/UNTAET personnel on the ground, DPKO in New York and the World Bank in Washington, together with faster placement of senior specialised staff both for UNTAET and for the IFI offices in Dili after the JAM.

The real impact of the JAM must be judged in the results it produces on the ground. If by the end of June 2000, as the humanitarian program winds down, reconstruction programs are up and running, are designed and implemented with Timorese leadership and communities, and are well-co-ordinated between donors, the JAM can be judged to have been a success.