



## Humanitarian Aid Decision

23 02 01

Title: Humanitarian assistance in favour of the people of Timor Leste affected by the internal crisis

Location of operation: East Timor

Amount of Decision: EUR 2,000,000

Decision reference number: ECHO/TMP/BUD/2008/01000

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### **Explanatory Memorandum**

#### **1 - Rationale, needs and target population.**

##### 1.1. - Rationale:

Two years have passed since the violent unrest of May 2006 triggered by the dismissal of 594 soldiers from the Timorese army, which provoked the displacement of 150,000 people. The root causes of the 2006 crisis were to be found in the many evils affecting Timorese society, such as ethnic divisions between Timor Leste's eastern and western regions, increasing poverty, high rate of unemployment due to a lack of economic opportunities, illiteracy, lack of basic infrastructure and services, insufficient institutional capacity, exposure and great vulnerability to natural disasters.

The country human index figures illustrate the difficult socio economic conditions of the country: ranking 150 of 177 on the United Nations Development Programme's 2007/2008 Human Development Index<sup>1</sup>, Timor Leste is the poorest country of South East Asia and the least developed in terms of life expectancy at birth (59,7) and education (50% of literacy among adults). The population is very young, with 70% of the population under 30 years old. An estimated 42% of the population is considered to live below the national poverty line of US\$ 0.55 per day<sup>2</sup>.

Timor Leste held presidential and parliamentary elections in April and June 2007, resulting in the fall of the former ruling party FRETILIN in power since before the independence. José Ramos Horta was elected president with an overwhelming majority on the second tour of elections generally considered as fair and took office on 20 May. The result of the parliamentary elections was much less clear, with FRETILIN being the most voted party but failing to have a majority of seats. As a result, post-election weeks were marked by violent turmoil which caused the displacement of 4,000 people. A government was finally put in

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<sup>1</sup> <http://hdr.undp.org/en/statistics/>

<sup>2</sup> UN Transitional Strategy and Appeal 2008  
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place by early August, led by Xanana Gusmão, leader of the CNRT (*Congresso Nacional da Reconstrução Timorese* – National Congress for Timorese Reconstruction), which was the second party in number of seats, in coalition with other less voted parties.

The newly established government identified the resolution of the IDP crisis as one of its top priorities. The situation of the displaced population saw little evolution throughout 2007, with a large caseload remaining in camps and in host families. Insecurity and unresolved land and property issues prevented return and in the absence of any mechanism for compensation and property restitution, the displacement crisis was likely to persist. Early 2008, it is estimated that 100,000 people remain displaced, with 30,000 of them in 58 camps mainly in Dili (51) and Baucau (7)<sup>3</sup>. Despite the fact that the situation has generally improved compared to the beginning of the crisis in 2006, the conditions in the camps remain difficult, with an obvious lack of place leading to promiscuity, inadequate access to water and sanitation, risks of flooding during the rainy season, etc. In terms of security, the situation of IDPs remained volatile in 2007 and people reacted very quickly to any event that they felt could threaten their security. Many people seemed to go to work or back home normally during the day and only spent the night in the camps, where they felt more secure and where free food distribution was available.

The blanket food distributions in the camps have gone on for the whole 2007 although their relevance was increasingly questioned. The follow up of the September Emergency Food security Assessment<sup>4</sup> led by WFP revealed that 50% of IDPs would in the absence of food assistance, not be food insecure, and that 50% of the non-assisted non-IDP population in Dili is actually food insecure, 42% of them being unable to cover the cost of a minimum food basket. In general the causes of the food insecurity among households in Dili are essentially chronic and related to problems with accessing food. Poor food access is the result of long-term structural issues such as the lack of employment opportunities and market weakness contributing to increases in food market prices. From April 2008 the government will take over from WFP the food distribution to the IDP camps. The government will continue to distribute 4kg of rice for each person in the camps per month until the end of June. As of April the government will stop providing food aid for the IDPs who work as civil servants as they already receive a food allowance in their salary. The Ministry of social Solidarity (MSS) as part of its National recovery Plan aims to induce IDPs to return home by reducing and eventually ending the blanket distribution of food.

On 12 December 2007, the Government of Timor Leste launched its National Recovery Strategy called "Building the Future Together" (*Hamutuk Hari'i Futuru*), articulated in five pillars: housing and resettlement opportunities; socioeconomic measures within local communities; confidence building; stability and social protection.

After having initially appeared to be very optimistic on the IDP return issue, the Government is now estimating that 25 to 30% of IDPs could go back to their places of origin before the end of 2008. The return and reintegration process is thus likely to go on well into 2009.

For the first pillar only, an envelope of US\$ 15,000,000 has been set aside by the Government in its 2008 budget. This money will mainly be used to assist duly registered IDPs to rebuild or repair their homes, according to a three-stages scale (US\$ 4,500 for destroyed houses, US\$ 3,000 for partially damaged and US\$ 1,500 for lightly damaged houses), but also to buy land and build new houses for those who are unable to go back to their place of origin.

On 11 February 2008, tragic events deeply shook the country and would have far-reaching consequences. An assassination attempt of President Ramos Horta took place early in the

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<sup>3</sup> UN Transitional Strategy and Appeal 2008

<sup>4</sup> Dili Emergency Food Security Assessment, September 2007  
ECHO/TMP/BUD/2008/01000

morning, shortly followed by an attack against Prime Minister Gusmão. If Xanana Gusmão escaped the attack unharmed, José Ramos Horta was very seriously wounded and two rebels were killed. Among them was Alfredo Reinado, the leader of the rebels known as the "Petitioners", who left the army in 2006 and were responsible for many violent acts leading to the massive displacement of a population slowly recovering from the violent independence process and still traumatized by the massacres and serious human rights abuses. Reinado had been in negotiations with the government, and in particular bilaterally with Ramos Horta, for the past months about his possible surrender. The circumstances of the attacks and the reasons behind them have not yet been firmly established and should be thoroughly investigated.

The President of Parliament, Fernando La Sama Araujo, endorsed the role of interim President of the Republic of Timor Leste and Prime Minister Gusmão established a state of siege and a curfew in the few hours after the attack. The country leadership showed a great sense of responsibility in managing the crisis. Together with the state of shock in which most of the country found itself after the attacks, this had a positive effect on the security in the capital and in the rest of the country, with security incidents dropping dramatically and the potential protest in the camps on the half-ration decision being quickly controlled. The people of Timor Leste have shown maturity in staying calm and obeying to public order. Shortly after, the UN mission in the country was prolonged for one year until 24 February 2009. The state of siege has been prolonged until 22 April 2008.

Another positive consequence of the attack, and especially the death of Reinado, is that IDPs now feel less threatened by the rebels and show more willingness to consider a possible return, within the framework established by the National Recovery Strategy. At the end of February, close to 600 "Petitioners" gathered in Dili for a retreat during which their future was at stake. Different options were being offered to them, one being an accompanied reintegration into the army. As of 8 April, clear outcomes of this retreat are still missing. Another rebel leader, Salsinha, believed to have been involved in the assassination attempt on President Jose Ramos Horta is still at large and several recent attempts to capture him have failed.

At the end of March, the Transitional Strategy and Appeal 2008 (TSA) was launched, linking with the National Recovery Strategy. The TSA focuses on three modules: (1) Continue emergency assistance to IDPs in camps; (2) Early recovery/recovery, which includes the Government strategy in terms of IDP return and (3) Disaster risk management.

This year's Appeal is requesting an amount of US\$ 33,500,000 for a total of 67 projects submitted by NGOs, UN agencies and affiliated organizations, which marks a decrease compared to the 2007 Appeal (US\$ 36,000,000). The internal balance between humanitarian and recovery-focused activities in the TSA has also shifted. The amount appealed for humanitarian assistance is now largely lower than the one appealed for recovery activities (US\$ 8,500,000 against US\$ 17,900,000). This year will clearly be a transition period and according to the evolution of the situation, this financial decision should be the last intervention launched by DG ECHO<sup>5</sup> in response to the 2006 crisis.

On the political side, the slow but steady empowerment of the Government towards IDP return and into finding a sustainable solution to this crisis is positive, but the smooth implementation of the return process and the settlement of the important issue of land property will be serious challenges. The issue of the Petitioners will have to be solved and remains a threat for the stabilization of the situation and a potential obstacle to IDP return.

Additionally, the great vulnerability of the country to natural disasters such as earthquakes, tsunamis, floods and landslides, drought and agricultural pests such as locust infestation, will

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<sup>5</sup> Directorate-General for Humanitarian Aid - ECHO  
ECHO/TMP/BUD/2008/01000

have to be addressed by the establishment of a sound assessment capacity linked to a good communication network and by the setting up of a good response capacity. The recurrent natural disasters that plague the country have a high impact on the livelihoods of an extremely poor population, further depleting their coping capacities.

### 1.2. - Identified needs:

The situation in Timor Leste is now at a crossroads. A sustainable solution for an accepted and transparent return of IDPs has been designed and needs to be implemented. This will take its time and it is expected that only 25 to 30% of IDPs will have gone back before the end of 2008, the process extending long into 2009.

In the meantime, the main basic needs are to assist IDPs remaining in camps and living in hardship environment through multi-sectoral activities and support the return process so as to ensure that IDPs are going back willingly, with a package of assistance measures, and are smoothly reintegrated into their host communities. Considering the fact that the Government budget is very limited, that its implementation capacity is weak and its strategy is mainly focused on housing measures, assistance will be needed to provide returnees with support in terms of transport and logistics, protection, social integration and to give them a food package covering two months need for each family.

Recovery and development are also paramount to guarantee the sustainability of the return, allowing the IDPs to go back in a secure environment and to decent homes while creating employment opportunities, a better access to basic services, better infrastructures, etc.

Humanitarian aid funds are now reducing and a clear shift towards recovery activities is observed.

On 25 March 2008, the *Country Strategy Paper and the National Indicative Program for the 10<sup>th</sup> European Development Fund for 2008-2013* were signed in Dili. An envelope of EUR 63,000,000 is foreseen to fund long-term programmes in four areas, the most important one being rural development. Health care, institutional capacity building and non-focal sectors, such as support to civil society and technical cooperation facility will also be financed.

Another EC instrument, the Instrument for Stability, is considering deploying staff to line ministries in some key priority areas in order to assist mostly with coordination. It is also envisaging giving its support to initiatives mainly in the sectors of Security Sector Reform, and employment opportunities for youth or returnees.

Other humanitarian stakeholders include EU Member States, Australia and the United States. The pledges made on 29 March 2008 by the last-named two countries amount at US \$ 4,720,000<sup>6</sup>.

### 1.3. - Target population and regions concerned:

The beneficiaries of this Decision will be the estimated around 30,000 IDPs still living in camps in and around Dili and those among them who choose to return to their places of origin. The communities in the places of return of IDPs throughout the country will also benefit from this Decision, mainly through social cohesion activities.

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<sup>6</sup> Humanitarian Update Timor Leste – Issue n°6 – 7 April 2008  
ECHO/TMP/BUD/2008/01000

#### 1.4. - Risk assessment and possible constraints:

The situation in Timor Leste, although significantly quieter since the attacks of 11 February 2008, remains volatile and fragile.

In the absence of any employment opportunity for the considerable youth population, youth violent gangs may go on posing security problems and causing violent incidents in camps.

A lack of law-based land and property regime (aiming at resolving property issues) can lead to further conflict and renewed displacement.

With the politicisation of some camps in Dili, some groups can intimidate and prevent IDPs to leave the camps despite committed efforts by the government and the international community to support their return or resettlement.

In the absence of clear communication strategy by the government on the end of food aid distribution in the camps after June 2008 and the lack of planned cash for work schemes for IDPs, there is still a risk of further violence in the camps.

As long as the Petitioners issue is not solved in an acceptable way, they will remain a threat to the security in the country. Real or perceived security threats can lead at any time to additional displacement and fuel the fears of IDPs who would then choose to stay in the relative security of the camps instead of going back to their places of origin.

The unwillingness of some communities to accept returnees may also be an obstacle to return and discourage potential returns.

The return of IDPs to their communities with large quantities of cash and food aid package can also risk provoking social jealousy and further conflict and violence.

A worsening of the security situation would have a negative impact on the capacity of humanitarian actors to reach and provide assistance to the displaced and affected communities.

## **2 - Objectives and components of the humanitarian intervention proposed:**

### 2.1. - Objectives:

Principal objective: To provide support to the people of Timor Leste affected by the internal crisis.

Specific objectives:

1. To provide multi-sector assistance to the population affected by the internal crisis,
2. To maintain a technical assistance capacity in the field, to assess needs, appraise project proposals and to coordinate and monitor the implementation of operations.

### 2.2. - Components:

Possible activities to be funded in the framework of the present financial decision include:

- IDP camp management
- Logistics, transport and coordination of the provision of humanitarian assistance in the IDP camps.
- Protection for vulnerable IDP population.
- Facilitating camp closure interventions.
- Transport support for IDP for safe and voluntary return, relocation or resettlement.
- Return monitoring: establishment of monitoring and information systems that provides government and relevant stakeholders with data and analysis that strengthens the opportunities for sustainable return.

- Provision of safe water supply and sanitation in IDP camps and Transitional shelters: water distribution, water treatment, restoration of water systems in IDP camps. Construction and maintenance of borehole and water distribution network in transitional shelters. Construction and maintenance of sanitary facilities in transitional shelters: latrines, showers and washing points. Maintenance of sanitary facilities in IDP camps.
- Basic health care and hygiene promotion activities in IDP camps and transitional shelters.
- Psycho-social, child protection support in IDP camps and places of return of IDPs.
- Support to social integration between the relocating IDPs and the neighbouring–hosting communities, especially for the youth.
- Provision of food aid to returnees as part of the government comprehensive return package.
- Contingency provision of food aid to ensure prompt response to the IDPs affected by further violence and sudden crises.

Timor Leste is a country regularly affected by natural disasters. In particular, some IDP camps are vulnerable to torrential rains and consequent flooding. As much as possible, disaster preparedness and disaster risk reduction components will be mainstreamed in the activities planned under this decision.

In order to maximise the impact of the humanitarian aid for the victims, the Commission will maintain a DG ECHO support office located in Jakarta. This office will appraise project proposals, coordinate and monitor the implementation of operations financed by the Commission. The office will provide technical assistance capacity and necessary logistics for the achievement of its tasks.

### **3 - Duration expected for actions in the proposed Decision:**

The duration for the implementation of this Decision shall be 18 months. As a phase-out decision, it appears important to have operations of 12 months in order to accompany the recovery process. An 18 months duration will also allow being flexible in the implementation of the operations. Indeed, security problems and/or natural disasters could at one point hamper the smooth implementation of operations. Also, unknown parameters concerning the return of IDPs might require a greater adaptability.

Humanitarian operations funded by this Decision must be implemented within this period.

Expenditure under this Decision shall be eligible from 01 June 2008, in order not to leave any gap after the end of the 2007 financial decision, happening on 30 May 2008.

Start Date : 01 June 2008

If the implementation of the actions envisaged in this Decision is suspended due to *force majeure* or any comparable circumstance, the period of suspension will not be taken into account for the calculation of the duration of the humanitarian aid operations.

Depending on the evolution of the situation in the field, the Commission reserves the right to terminate the agreements signed with the implementing humanitarian organisations where the suspension of activities is for a period of more than one third of the total planned duration of the action. In this respect, the procedure established in the general conditions of the specific agreement will be applied.

#### 4 - Previous interventions/Decisions of the Commission within the context of the current crisis

##### List of previous DG ECHO operations in EAST TIMOR

Decision Number	Decision Type	2006 EUR	2007 EUR	2008 EUR
ECHO/DIP/BUD/2006/01000 (*)	Non Emergency	204,475		
ECHO/TMP/BUD/2006/01000	Emergency	3,000,000		
ECHO/-FA/BUD/2007/01000 (*)	Non Emergency		1,500,000	
ECHO/TMP/BUD/2007/01000	Non Emergency		1,500,000	
ECHO/DIP/BUD/2008/02000 (*) (**)	Non Emergency			0
<b>Subtotal</b>		<b>3,204,475</b>	<b>3,000,000</b>	<b>0</b>
<b>Grand Total</b>		<b>6,204,475</b>		

Dated : 17 April 2008  
Source : HOPE

(\*) decisions with more than one country

(\*\*) East Timor is also covered by the 6<sup>th</sup> DIPECHO Action Plan for South East Asia under which the allocation of the available EUR 10,000,000 will take place at a later stage.

#### 5 - Overview of donors' contributions

##### Donors in EAST TIMOR the last 12 months

1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria		DG ECHO	3,000,000		
Belgium		Other services			
Bulgaria					
Cyprus					
Czech republic					
Denmark					
Estonia					
Finland					
France	200,000				
Germany	200,000				
Greece					
Hungary					
Ireland	250,000				
Italy					
Latvia					
Lithuania					
Luxemburg					
Malta					
Netherlands					
Poland					
Portugal					
Romania					
Slovakia					
Slovenie					
Spain					
Sweden					
United kingdom					
<b>Subtotal</b>	<b>650,000</b>	<b>Subtotal</b>	<b>3,000,000</b>	<b>Subtotal</b>	<b>0</b>
		<b>Grand total</b>	<b>3,650,000</b>		

Dated : 17 April 2008

(\*) Source : DG ECHO 14 Points reporting for Members States. <https://webgate.ec.europa.eu/hac>  
Empty cells means either no information is available or no contribution.

#### 6 - Amount of Decision and distribution by specific objectives:

##### 6.1. - Total amount of the Decision: EUR 2,000,000

ECHO/TMP/BUD/2008/01000

## 6.2. - Budget breakdown by specific objectives

<b>Principal objective:</b> <i>To provide support to the people of Timor Leste affected by the internal crisis</i>				
<b>Specific objectives</b>	<b>Allocated amount by specific objective (EUR)</b>	<b>Geographical area of operation</b>	<b>Activities</b>	<b>Potential partners<sup>7</sup></b>
Specific objective 1: To provide multi-sector assistance to the population affected by the internal crisis	1,830,000	Timor Leste	<p>IDP camp management</p> <p>Logistics, transport and coordination.</p> <p>Protection of vulnerable IDPs</p> <p>Facilitating camp closure interventions.</p> <p>Transport support for IDPs for safe and voluntary return, relocation or resettlement.</p> <p>Return monitoring</p> <p>Provision of safe water supply and sanitation in IDP camps and transitional shelters:</p> <p>Basic health care and hygiene promotion activities in IDP camps and transitional shelters.</p> <p>Psycho-social, child protection support in IDP camps and places of return of IDPs.</p> <p>Social integration support between the relocating IDPs and the neighbouring–hosting communities, especially for the youth.</p> <p>Provision of food aid to returnees as part of the government comprehensive return package.</p> <p>Contingency provision of food aid to ensure prompt response to the IDPs affected by further violence and sudden crises.</p>	<ul style="list-style-type: none"> <li>- IOM</li> <li>- Plan UK</li> <li>- TGH</li> <li>- WFP-PAM</li> </ul>

<sup>7</sup> INTERNATIONAL ORGANIZATION FOR MIGRATION (INT), PLAN INTERNATIONAL (UK), TRIANGLE Génération Humanitaire, (FR), WORLD FOOD PROGRAM

Specific objective 2: To maintain a technical assistance capacity in the field, to assess needs, appraise project proposals and to coordinate and monitor the implementation of operations	170,000	Indonesia	-assess needs, -appraise project proposals -coordinate and monitor the implementation of operations	
TOTAL:	2,000,000			

## 7 - Evaluation

Under article 18 of Council Regulation (EC) No.1257/96 of 20 June 1996 concerning humanitarian aid the Commission is required to "regularly assess humanitarian aid operations financed by the Community in order to establish whether they have achieved their objectives and to produce guidelines for improving the effectiveness of subsequent operations." These evaluations are structured and organised in overarching and cross cutting issues forming part of DG ECHO's Annual Strategy such as child-related issues, the security of relief workers, respect for human rights, gender. Each year, an indicative Evaluation Programme is established after a consultative process. This programme is flexible and can be adapted to include evaluations not foreseen in the initial programme, in response to particular events or changing circumstances. More information can be obtained at:

[http://ec.europa.eu/echo/evaluation/index\\_en.htm](http://ec.europa.eu/echo/evaluation/index_en.htm).

## 8 - Budget Impact article 23 02 01

-	CE (EUR)
Initial Available Appropriations for 2008	486,095,000.00
Transfers Commission	-
<b>Total available appropriations</b>	486,095,000.00
Total executed to date (by 17 April 2008)	394,300,000.00
Available remaining	91,795,000.00
<b>Total amount of the Decision</b>	2,000,000.00

## 9. Management issues

Humanitarian aid actions funded by the Commission are implemented by NGOs, Specialised Agencies of the Member States, and the Red Cross organisations on the basis of Framework Partnership Agreements (FPA) and by United Nations agencies based on the EC/UN Financial and Administrative Framework Agreement (FAFA) in conformity with Article 163 of the Implementing Rules of the Financial Regulation. These Framework agreements define the criteria for attributing grant agreements and financing agreements in accordance with Article 90 of the Implementing Rules and may be found at [http://ec.europa.eu/echo/partners/index\\_en.htm](http://ec.europa.eu/echo/partners/index_en.htm).

Individual grants are awarded on the basis of the criteria enumerated in Article 7.2 of the Humanitarian Aid Regulation, such as the technical and financial capacity, readiness and experience, and results of previous interventions.