

INTERNATIONAL ASSISTANCE TO THE NATION-BUILDING EFFORTS OF TIMOR-LESTE

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Introduction: International Context

Various actions have been directed towards stability, recovery and development following volatile situations in what is often called fragile states or conflict affected states. The actors involved in this process have generally acknowledged the interdependency of a range of issues concerned, but strong cohesion in the security, politics and development nexus is often emphasised (OECD 2007). In recent years, donors have increased their sensitivity to partnerships, alignment to national priorities and harmonisation in the aid process as agreed in the Paris Declaration on Aid Effectiveness in 2005. Following the declaration, practical endeavours are ongoing in the international community to determine how they might assist war-shattered states effectively and efficiently, deriving lessons from past experiences. Some principles were constructed experimentally by international actors, which commonly state that a cohesive approach by international actors to support nation-building¹ is vital.

The attempted implementation of these ideas in Timor-Leste reinforces recognition that forming constructive international assistance for conflict affected states is not straightforward. The 2006 crisis in Timor-Leste which led, amongst other things, to the collapse of the police force, has generated another challenge for those who are involved in the country's nation-building. As at the end of 2007, 100,000 internally displaced persons (IDPs) are living in camps in Dili or staying with relatives and friends in rural areas while struggling to find a quick solution to the problem of their resettlement. At the same time, 70% of the population resides outside the capital, seeking a path to poverty reduction. This situation deepens the recognition that security, politics and development aspects are interdependent, as a setback in one aspect reflects significantly on the outcome of the other two.

There is no single, rigid method to tackle every case, due to the variety of conditions, political will and legitimacy that apply. It is now broadly recognised among aid workers that the framework of aid is shaped better with a wider understanding of political, economic, historical, social and cultural contexts. As Timor-Leste expresses its will to build partnerships with international actors for the future, this paper endeavours to focus attention on how the multiple dimensions of assistance flow affect national development. In this regard, the paper elaborates the dynamics of international assistance to Timor-Leste over the last eight years, attempting to identify trends, characteristics and lessons from past experience, which could be utilised for visualising the future direction.

Dynamic Flow Shifts By Means And By Volume

Since 1999, the international community has made substantial commitments to Timor-Leste to assist its task of nation-building. The United Nations (UN) missions, multi-lateral institutions, bilateral development partners, and civil society organisations (CSOs) have all contributed to Timor-Leste’s nation-building through various approaches.

The dynamics of the involvement of the international community has drastically shifted when reckoned both by means and by volume (Figure 1). The total external assistance to Timor-Leste between 1999 and 2006 amounted to approximately US\$2.2 billion.² In terms of the financial perspective, the UN mission involvement was predominant in the first years of independence, while the following years can be characterised as the phase of reduction of the UN mission and humanitarian assistance, as well as the trimming of international aid volume from the peak in 2001. Simultaneously, development assistance (including technical assistance and budget commodity assistance) remained at approximately US\$150 million by fiscal year 2005-2006.³ This situation was interpreted as a successful case of peace-building where peace is consolidating and the country gradually moving towards a sustainable development phase.⁴ Nevertheless, international assistance per capita in Timor-Leste is high at US\$189 in 2005 compared to US\$17, the average in low income countries (WB 2005).

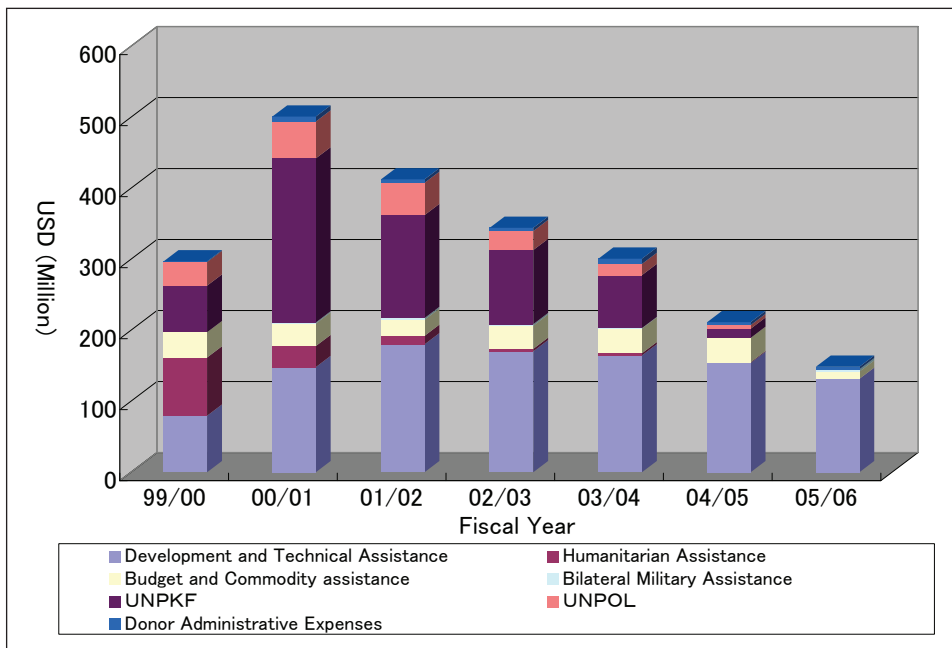


Figure 1: Annual Disbursements Of External Assistance To Timor-Leste From Fiscal Year 1999-2000 To 2005-2006⁵

The presence of the UN missions in Timor-Leste has been the most extensive case ever of UN-supported state functions and nation-building. After the 1999