EAST TIMOR UPDATE

May-June 2000

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ACRONYMS USED IN THIS PUBLICATION

Asian Development Bank
Australian Agency for International Development
CARE International
UN Civilian Police
National Council of Timorese Resistance
Department for International Development
Food and Agriculture Organization
GOAL Ireland
Governance and Public Administration
International Committee of the Red Cross
Japan International Cooperation Agency
International Labour Organization
International Force in East Timor
International Organization for Migration
National Consultative Council
Office for the Coordination of Humanitarian Assistance
Oxfam International
UN Peacekeeping Force
Return of Qualified Nationals Programme

SRSG	Special Representative of the Secretary-General
TNI	Tentara Nasional Indonesia (Indonesian National Armed Forces)
UHP	UNTAET Humanitarian Pillar
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMO	UN Military Observer
UNTAET	United Nations Transitional Administration in East Timor
USAID	United States Agency for International Development
WFP	World Food Program
WHO	World Health Organization

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INTRODUCTION

Severe flooding caused problems in East Timor, particularly in Suai, Viqueque and Lospalos. The situation was, however, much worse in West Timor, where tens of thousands of people had been displaced and 127 confirmed dead, mostly women and children. The majority of the casualties were East Timorese living in low-lying refugee camps. At the request of the Indonesian government, UNTAET provided helicopters to evacuate flood victims and to deliver relief supplies together with UN agencies and NGOs. The business community in East Timor also stepped in with food, clothes and cash to assist the flood victims. The floods were reported to be the worst in West Timor in 22 years

In East Timor, heavy rains had cut off Suai, Viqueque and Lospalos with bridges washed away and roads rendered completely inaccessible. In the district of Covalima, communities were displaced and their newly planted crops destroyed. IOM provided transport to move the displaced persons while WFP and CARE distributed rice.

The overall security situation in East Timor remained stable. Dili, however, experienced a brief disturbance which left five people seriously injured on Sunday, 30 April when a fight started by a gang of around 70 people attacking spectators at the Dili Sports Stadium and the mayhem spilled over to a nearby market. United Nations Special Representative of the Secretary-General (SRSG) Sergio Vieira de Mello and Mr Xanana Gusmao, President of CNRT, coordinated response to the unrest by dispatching the Peacekeeping Forces and the Rapid Response Unit. Eleven people were detained and hundreds of machetes and sticks seized. The SRSG, who is also the Transitional Administrator, declared a policy of "zero tolerance" for individuals carrying objects which could be used as weapons, such as machetes, knives, iron bars and sticks, and authorized the UN Civilian Police (CivPol) in Dili to carry side arms.

In order to further involve the Timorese people in the administration of their country, at the close of a CNRT-organised conference in Tibar, Dili (15-20 May), SRSG de Mello called on Timorese leaders to decide on the model of transitional government they would prefer to have.

East Timor's most popular rock band, Vi Alma X, performed in Darwin on 3 June together with Australia's most successful Aboriginal rock group, Yothu.

The International Olympic Committee (IOC) will send a team to Dili on 18 June, after a decision last month by the Executive Commission to allow East Timorese athletes to participate in the Sydney Olympic Games. Victor Ramos, a boxer and an UNTAET employee, has been named a competitor.

Four satellite photographic maps of a burning East Timor, taken during the violence of September last year, were presented to UNTAET at the Dili District Administration Office. The photographs are a gift to UNTAET and the people of East Timor from the Australian Government.

Labour Day, 1 May, was marked by a series of events including the first National Tripartite Workshop on Labour Law and Employment Rights in East Timor. Other highlights were an official announcement of Labour Day as a public holiday in East Timor, and a town hall meeting with CNRT President Gusmão and UNTAET Chief of Staff Nagalingam Parameswaran to field questions on employment.

World Press Freedom Day on 3 May was celebrated with SRSG de Mello laying the first stone of a memorial dedicated to Timorese and foreign journalists slain in East Timor over the past 24 years.

Deputy SRSG (Governance and Public Administration) Jean-Christian Cady, made a six-day visit to Australia to meet with representatives of the Australian government and representatives of other donor-nations to discuss the current situation.

A delegation led by Peter Galbraith, Head of UNTAET Political Affairs Office, met with Indonesian counterparts of the Foreign Ministry on 24 and 25 May 2000 in Yogyakarta, Central Java. They discussed

bilateral co-operation between Indonesia and UNTAET; specifically with regard to assets claims and liability, archives, as well as outstanding issues from the last roundtable of negotiations, such as pensions, border issues, the Oecussi corridor and the establishment of a joint border commission.

SRSG de Mello visited Jakarta, Indonesia, for more high-level consultations with Indonesian President Abdurrahman Wahid and other senior Indonesian officials.

On 23 May, SRSG de Mello flew to Fiji, following the 19 May coup, as the special envoy of the Secretary-General of the United Nations, Kofi Annan. He conveyed to the Fijian political leaders the Secretary-General's concern over unconstitutional and violent actions intended to bring about a change of government.

Various visitors came to East Timor, including the Prime Minister of Portugal, António Guterres and Japanese Foreign Minister, Yohei Kono. Mr Kono came with a grant agreement worth US\$91,000 for the purchase of some 8,500 radio receivers. These are to be distributed in the areas covered by Radio Voz de Esperança, Radio Kmanek and Radio UNTAET. Lospalos and Maliana, too, will receive some receivers, as community radio stations have been set up – the first two stations in East Timor.

Visits were also received from the Governor of the neighbouring Indonesian province of NTT (East Nusa Tenggara), Piet Tallo, who wished to improve the ties between NTT province and UNTAET; and from the Northern Territory Chief Minister Denis Burke, who visited East Timor for two days.

The UN Agency House was officially opened in Dili, housing eight United Nations agencies including the United Nations Development Program (UNDP), World Health Organisation (WHO) and United Nations Children's Fund (UNICEF). The UNDP Resident Representative, Mr Finn Reske Nielsen, as the UN Development Coordinator facilitates co-operation among the eight UN agencies.

HUMANITARIAN SITUATION

□ Return of Refugees

The number of returning refugees slowed down considerably in May but picked up again in June. According to the UNHCR Chief of Operations, Bernard Kerblat, the slowdown could be attributed to a combination of reasons: propaganda, false perception about the security situation, uncertainty about the payments of pensions and salaries of the former civil servants and fear of having missed the planting cycle.

During the month of May, only about 2,000 refugees returned, bringing the total number of returnees to over 162,000 by early June. The majority of returnees was organized by UNHCR and IOM.

After a meeting with the NCC on refugee repatriation, SRSG Sergio Vieira de Mello and CNRT President Xanana Gusmão agreed to take the lead in speeding up the process of repatriation as soon as they return from the Lisbon Conference in June. They welcomed the visit of the Governor of the neighbouring Indonesian province East Nusa Tenggara (NTT), Piet Tallo, with whom they held discussions over several issues. They spoke on refugees and reconciliation, as well as the organisation of more "come and see" visits of former pro-autonomy leaders to East Timor; such visits should help to build confidence among refugees who may be hesitant to return.

Meanwhile, family reunion meetings which bring together Timorese living on different sides of the border between East and West Timor continued in Batugade and Oecussi. More than 3,000 people participated in a border reunion held along the border at the Ambeno/Oeucussi enclave on 12 May. The Catholic Church in East Timor also promised help, with Bishop Basilio de Nascimento of Baucau visiting the West Timor border town of Atambua on 13 May.

□ Return of Qualified Nationals (RQN) Programme

Under IOM's RQN programme, which began in March, 18 candidates who are

currently residing in Australia, Macau and Hong Kong, have applied for assistance to return. The IOM office in Dili has received a total of 21 job offers from the Civil Service and Public Administration (CISPE) office. IOM and CISPE are currently reviewing applications in order to match candidates with positions available and make preparations for their return.

□ Food Distribution

As of 26 May, the World Food Programme (WFP) had delivered 261.5 metric tons of rice to approximately 100 food-for-work sites. A total of 141 food-for-work projects are registered with the programme which will provide 343 metric tons of rice to some 13,000 beneficiaries.

□ Shelter

Distribution of UNHCR shelter kits is ongoing in 12 of the 13 districts. By mid-June, a total of 10,000 shelter kits should have been distributed by the agency's eight NGO implementing partners. Under this programme, 5,000 houses have already been constructed.

A total of 35,000 kits will be distributed, adequate for the reconstruction of 35,000 homes.

INFRASTRUCTURE

Dili's two main markets are being upgraded and a market management committee including vendors, representatives of the CNRT and the Church as well as UNTAET officials, has been set up with the help of the Dili District Sub-committee on Markets and Co-operatives. The committee will be responsible for ensuring that vendors who rent space in the markets are charged fairly. The sub-committees will also take care of routine services, such as the supply of water and electricity and the removal of garbage. The project is funded by the Japanese International Co-operation Agency, JICA, which in turn has enlisted the help of the Japanese NGO ADRA.

The first phase of the project started in mid-May with PKF engineers from Bangladesh and Portugal demolishing the remaining structures of two destroyed market sites in Becora and Comoro. Meanwhile, the reconstruction process is well underway at both markets, with market foundations reinforced and modern toilet facilities built by a local contractor using Timorese labour. It is hoped that the improved conditions at the Comoro and Becora markets will act as a magnet, drawing both vendors and consumers away from Dili's over-crowded Central Market.

□ Roads

Roads have deteriorated so badly that emergency levels were reached in some districts. Examples are the road between Viqueque-Baucau, Suai-Bobonaro, Same-Betano, Ainaro-Hotohudo, the road north of Manufahi, as well as some roads in Oecussi. PKF will play a supportive role to the contractors engaged to repair some of these roads.

Emergency road repair works continued in May with the help of a special advance from the Asian Development Bank (ADB) and funds from the Government of Australia. Four emergency road contracts worth US\$4.5 million under the ADB project will begin in June. These projects are part of the US\$29.8 million roads, ports, and power project to be funded under the World Bankadministered Trust Fund for East Timor.

□ *Electricity*

Viqueque town has been having 24-hour power supply since 29 April, benefiting more than 5,000 people. Around 85 per cent of East Timor is currently served with electricity.

In addition to Viqueque, Dili and Baucau too have power around the clock. Over in Lospalos, the supply is 12 hours a day. Other towns generally have power for six hours a day in the evenings.

Power will be introduced in Suai and Gleno soon. Ainaro will follow later.

UNTAET's contract with the Northern Territory's Power and Water Authority for

the provision of electricity supply to Dili was extended on 8 June.

□ Air Transport

Merpati has increased its flights to three times a week (Monday, Wednesday and Friday) between Dili and Denpasar, costing US\$400 per round trip.

SOCIAL SERVICES

□ Education

The national test for the recruitment of qualified primary school teachers took place on Monday, 29 May. Some 6,000 teachers registered and had their knowledge of pedagogy, civics, arithmetic, social studies and science tested in Bahasa Indonesia (Malay) through multiple-choice questions. The test was designed by Timorese teachers recommended by the CNRT. The answer papers have been sent to Melbourne, Australia for marking and evaluation. The test papers will not be evaluated on a strict pass-fail basis but instead, a detailed list is to be compiled by region, ranking the teachers according to the test results as well as taking into consideration their qualifications.

Selected teachers will become full-fledged civil servants. They will be placed on UNTAET payroll by the end of July. Due to the high rates of malaria and dengue infection along with other factors, it is important to have a pool of substitute teachers to call upon when the regular appointed teachers are incapacitated.

The School Mapping Taskforce working with Timorese engineers is currently identifying the schools which should be rehabilitated. It is estimated that at least 500 primary and around 100 secondary schools will be restored. UNICEF is involved in many areas of school rehabilitation, such as re-roofing of schools, providing school supplies and teaching materials, as well as training teachers for school health monitoring.

There are currently 173,000 students enrolled -6'000 more than in the school year 1998/1999.

□ Health

A grant agreement worth a total of US\$40 million was signed with the World Bank. The money is for the rehabilitation of the health sector in East Timor and to restore as soon as possible basic health services to the entire population. It will also focus on the development of a national policy for the health sector. The first tranche is US\$12.7 million. The whole health grant will be spent over the coming three years under the supervision of the Interim Health Authority. This agreement on health follows earlier grant agreements with the World Bank on community empowerment, infrastructure and an agreement on loans for small and medium enterprises. Two more grant agreements, on education and agriculture, will be signed soon.

Between 30 May and 2 June, two Australian optometrists, sponsored by WHO and UNICEF, screened 590 primary school children in Dili. About 16 per cent of the school children failed the screening test and will require a follow-up eye examination. Five of the children will require corrective surgery. This surgery will be carried out by a seven-person surgical team. The latter will arrive in Dili on 30 July. The surgical team will return to Dili to provide surgery on a regular basis for at least the coming two years.

Caritas East Timor, in collaboration with Caritas Norway and the Menzies School of Health Research, Australia, re-established the National Tuberculosis Programme in Dili. It is now extending its coverage to the rural districts. In its findings for the first quarter of 2000, the National Tuberculosis Programme reported a total of 737 cases under treatment.

Health experts from WHO, UNICEF, MSF France and the East Timor Central Laboratory visited the village of Beacu in Viqueque, the home village of the 23-year old woman who died from Japanese Encephalitis on 16 May. The team collected blood samples from humans, pigs and dogs to determine how widespread the infection is. At the same time, MSF France distributed bed-nets among the villagers. Blood samples

were also collected in Dili. There the results revealed 89 per cent testing positive for antibodies. It is estimated that in 300 cases of Japanese Encephalitis infection, only one would show symptoms. The World Health Organisation is still awaiting results of sera samples taken in Viqueque, before recommending a strategy to combat the disease.

POLITICAL DEVELOPMENT

✓ "Accelerated Timorisation"

In order to further involve the Timorese people in the administration of their country, SRSG Sergio Vieira de Mello suggested an "accelerated Timorisation of the East Timorese administration" at the close of the CNRT-organised conference in Tibar (15-20 May).

He proposed two kinds of transitional government models and urged Timorese leaders to consider the options. The choice is between a "technocratic" or "political" model of transition. In both instances, the main goal would be the 'Timorise' the administration by recruiting more Timorese into the governing structure at both the senior and working levels. In the first one, the administration would be progressively "Timorised". In the latter, a cabinet of "ministers" would be formed and UNTAET and East Timorese leaders would share power in a transitional government, ultimately responsible to the Transitional Administrator. National security, justice, finance and foreign relations, which are entrusted to the UNTAET administration by Resolution 1272, would remain under UNTAET cabinet members. East Timorese cabinet members would be in charge of education, health, infrastructure, agriculture, trade etc.

CNRT President Xanana Gusmão and other members of the CNRT and the National Consultative Council (NCC) are currently discussing these proposals. According to SRSG de Mello, a number of far-reaching decisions and measures will be implemented from July.

Plans are also underway to expand the NCC to include representatives of Districts,

women, NGOs etc. to ensure broader participation of more elements of the East Timorese society in the decision-making process.

The National Consultative Council, as part of its preparations for the Donor Conference in Lisbon (21-23 June), did an overview of humanitarian activities in East Timor. Presentations were given by Deputy SRSG Akira Takahashi, other senior UNTAET officials, the Forum of Timorese NGOs, the External Assessment Mission and several UN agencies. The wide-ranging topics discussed covered Quick Impact Projects (QIPs), repatriation, reconciliation, shelter issues, food programmes and education.

✓ Budget

The NCC deliberated over the budget for the coming fiscal year, July 2000 to June 2001. After lengthy discussions, the NCC approved a budget totalling US\$59 million, of which US\$43.6 million is earmarked for recurrent expenditure and US\$15.3 million is for capital outlay. A ceiling was set on a civil service of not more than 9,035 employees. Budget estimates for fiscal years 2001 to 2002 (US\$55.3 million) and 2002 to 2003 (US\$56.8 million) were also considered.

✓ Services Tax

In the first public NCC hearing, UNTAET's finance administration and tax experts made a presentation on the East Timorese tax system and proposed a new services tax. This proposal, which is still under discussion, suggested a flat 10 per cent tax affecting, amongst others, hotels, restaurants and cafes, telecommunications providers and vehicle rentals. This tax was proposed to broaden the base of taxes.

Currently, taxes are limited to import duties, excise and sales tax. Regulation 2000/12 on Provisional Tax and Customs Regime for East Timor, approved 8 March, established a 5 per cent rate of import duty, excise on alcohol, tobacco, 5 per cent on sales taxes, and 5 per cent presumptive income tax on coffee exports.

INSTITUTIONAL DEVELOPMENT

□ Regulations

Two important regulations on judicial affairs were passed on 6 June. Regulation 2000/15 deals with the Establishment of Panels with Exclusive Jurisdiction over Serious Criminal Offences while Regulation 2000/16 deals with the Organisation of the Public Prosecution Service in East Timor.

On 12 May, the NCC adopted Regulation 2000/17 on the prohibition of logging operations and export of wood from East Timor. This regulation was proposed and adopted for the purpose of reducing deforestation in East Timor, pending an inventory of the forests establishment of a sustainable forestry industry. The regulation reinforces the laws protecting Indonesian natural environment and establishes prohibitions on logging and export of wood, or burning and other destruction of forests. Exemptions are made for cases where wood is used in traditional farming, construction traditional houses and religious buildings in East Timor, or for wood used locally to handicrafts and exported individuals as part of personal household effects or luggage. These exemptions take into consideration the ecological status of the area where the wood is logged.

□ Public Administration

The Civil Service Campus was inaugurated 8 May by SRSG Sergio Vieira de Mello, concurrently, the Transitional Administrator. The event was a landmark in the rehabilitation of the future East Timorese Administration for it will help provide East Timor with a well-qualified and well-trained civil service. "I cannot stress enough how we must break the cynical climate of corruption, cronyism and nepotism, or the 7-0-2 mentality. Signing in at 7 am, producing zero and going home by 2 o'clock in the afternoon," said the SRSG during the opening ceremony.

The Civil Service Campus in Comoro, Dili, houses also the Public Service Commission offices, the East Timor Administration's Central Recruitment office, and the Civil Service Academy classrooms and administration.

On the very same day the Civil Service Campus was inaugurated, the first classes started in the Civil Service Academy with an English course for some 20 Border Service officers, and a security class for about 25 security guards.

Meanwhile, the Public Service Commission, which formulates policies and guidelines related to recruitment, salary scales and rights and obligations of civil servants, decided that overtime work will be paid at the rate of 115 per cent of the regular salary on normal workdays, and 130 per cent for hours worked on weekends or official holidays.

As at mid-May, the total number of people enlisted in the civil service totalled over 5,000 people. The figure included 750 security guards, 50 police trainees, over 2,000 teachers, over 800 health workers and about 1,700 general administrators.

In preparation for its negotiations with Indonesia over pension payments, UNTAET is collecting data on the people formerly employed by the Indonesian government in East Timor. Approximately 500 former civil servants tuned up on 8 June on the first day of registration. The registration process will continue in alphabetical order in Dili for three more weeks. The process will move on to the rest of East Timor's districts in July. It is estimated that as many as 34,000 people worked for the Indonesian authorities in East Timor.

□ Border Control

Customs and immigration operations have begun on the western border with the opening of a border post at Batugade. By the end of May, over US\$1 million had been collected in customs and sales tax. Tax collection started on 20 March.

MEDIA DEVELOPMENT

SRSG Sergio Vieira de Mello marked World Press Freedom Day, 3 May, by laying the first stone of a memorial dedicated to the Timorese and foreign journalists slain in East Timor over the past 24 years. "Freedom of press means the right to criticize and the duty to be responsible in the criticism," the SRSG said. "Freedom of press is synonymous with democracy. This freedom is even more important in East Timor, which is leaving a long dark period of oppression."

Also, to mark the day, one of Dili's main avenues was renamed "Avenida da Liberdade de Imprensa" by the Timor Lorosae Journalists Association. In this four-kilometre avenue, from Becora to Mercado da Rotunda, two journalists were killed last year: Benardino Guterres (Timorese) and Sander Thoenes (Dutch).

Other journalists killed in East Timor were "the Balibo Five": Greg Shackleton, Brian Peters, Gary Cuningham, Tony Steward, and Malcolm Reinie; Roger East, and the Indonesian journalist Agus Mulyawan.

✓ UNTAET Communication

UNTAET Television – called Televisão UNTAET – started broadcasting in Dili on 15 May. The programme, an hour-long video magazine, contains features, interviews, news, entertainment and public service announcements and is produced, directed and presented by East Timorese. A new tape will be produced every week, and broadcast on Tuesdays at 5 p.m. Until television broadcast is available in the districts, tapes will be distributed weekly to all the districts for public presentation.

With effect from 19 June 2000, Radio UNTAET will be broadcasting in four languages, live, 15 hours a day, seven days a week.

New leaflets have been produced on dengue infection and its prevention. Besides leaflets, OCPI has also designed and distributed posters on the use of the dollar, as well as two language posters, one on basic sentences and the other on health issues, both in

Tetum, Bahasa Indonesia (Malay), Portuguese and English.

ECONOMIC DEVELOPMENT

□ Labour

Labour Day, 1 May, was marked by a series of events including the First National Tripartite Workshop on Labour Law and Employment Rights in East Timor. The workshop included international labour experts, representatives of workers and employers in East Timor, as well as UNTAET representatives and members of the Timorese civil society. The workshop succeeded in identifying problems in employment standards, providing recommendations and establishing working group.

There was also the inauguration of the first Employment Service Centre in Dili - a place where the unemployed will be able to make their availability known to potential employers. The first 16 Employment Service officers, who will work in these centres, completed their one-month training programme.

✓ Quick Impact Projects (QIPs)

Quick Impact Projects (QIPs) were established with the aim of "kick starting" rehabilitation of community infrastructure and the economy at the district and subdistrict levels. QIPs focused on providing immediate employment opportunities to East Timorese through restoration of public services and utilities and small projects (particularly income-generating activities) which directly benefit the community as well as capacity- building and community empowerment.

Financial resources for QIPs in East Timor are available under three mechanisms: the UNTAET Trust Fund (US\$1,000,000), OCHA funds (US\$150,000 with provision of US\$10,000 to each district) and UNHCR funds (US\$200,000).

The first QIP Review Committee was held on 19 February. Since then, the committee has met ten times and has approved 85 projects under the UNTAET Trust Fund. Almost all funds have now been committed. In addition, 65 projects under OCHA funds and seven projects under UNHCR funding have been approved.

As a result, some 143 QIP activities are underway with over 4,400 East Timorese employed.

QIP activities have been implemented by 46 international and national implementing partners. Of the 143 projects, 11 are implemented by UNTAET and 44 by the CNRT and OMT (women's branch of the CNRT). Under the CNRT/OMT-implemented projects, over 1,800 persons are employed.

✓ Transitional Employment Projects (TEPs)

To-date, USAID Transitional Employment Projects (TEPs) have provided employment for some 23,000 people in the 13 districts of East Timor. The time period of employment varies according to district and project. At the end of April, the programme expanded from the six pilot projects in Aileu, Baucau, Ermera, Dili, Lautem and Liquica to cover all districts. Each district has received at least a portion of a standard package of tools, materials, and sports equipment. Tools and materials include items such as shovels, wheelbarrows, hoes, picks, plywood, timber, zinc roofing material and cement. Sports equipment includes basketballs, volleyballs, soccer balls and nets. It is anticipated that the majority of the TEP items will be distributed by early June.

At the district level, the UNTAET district administrators (DAs) are responsible for managing the programme, including choosing projects in consultation with communities, recruiting workers, identifying supervisors and making payments.

In a number of districts, projects are being carried out in co-operation with NGOs. For example, the NGO Peace Winds Japan (PJW) is providing management and technical expertise for a TEP-funded project in Liquica involving the construction of traditional community meeting houses. In other districts, private contractors or the UN-

PKF are providing engineering expertise on road projects.

Across East Timor, TEP projects cover a wide range of initiatives, including drainage and road clearing, school re-roofing, village clean-up, clearing of playing fields, building furniture for schools or rehabilitating market places. Particularly important TEP projects include the clearing of clogged drainage ditches. Clogged drainage systems have contributed to the rapid deterioration of East Timor's roads this rainy season and clearing the ditches helps to stabilise roads and prevent further deterioration.

✓ Community Empowerment Project (CEP)

A team from the World Bank and the Asian Development Bank (ADB) visited East Timor on a supervision mission for the Community Empowerment and Local Governance Project (CEP). The team's one-week visit took representatives to Ainaro, Aileu, Bobonaro, Manatuto, Liquica, Baucau and Maubisse.

A total of 100 Timorese staff have been recruited and appointed to work on the first phase of this CEP. In its initial phase, the CEP is establishing development councils at village and sub-district levels. The Village Development Council members in Liquica, Manatuto, Ainaro, Aileu and Ermera are currently meeting to determine how they will spend the first emergency World Bank/ADB grant of between US\$15,000 to US\$45,000 for each sub-district. This money is to be divided equally, according to the number of villages.

Village councils will identify rehabilitation projects to be financed with this money. Individual projects worth up to US\$5,600 include building roads to isolated hamlets, reconstruction of community centres destroyed last year and the repair of water pipelines.

□ Private Sector

The Small and Medium Enterprises Project which provides loans to help develop private Timorese businesses was received with great enthusiasm. Over 2,000 applications for

loans were registered, totalling US\$30 million. This far exceeds the US\$4.8 million budget of this World Bank-administered Trust Fund project.

The number of private businesses registered with the Trade and Commerce Office has risen from about 1,000 last month to over 2,000. The majority of the businesses registered are Timorese.

Seminars on quality improvement and marketing strategies for coffee growers were hosted by the Trade and Commerce Office in collaboration with the Portuguese coffee firm Delta Cafes.

□ Agriculture & Farming

UNTAET and the World Bank negotiated the Agriculture Rehabilitation Project aimed at improving food security of selected poor households, increasing agricultural production in selected areas and promoting rural growth. The project, estimated to cost US\$18.2 million, is to be signed soon. Implementation will be over a two-and-a half-year span.

A seed multiplication project funded by the Government of Japan has commenced on 1 May. The objective of the project is to produce during the off-season 50 metric tons each of good quality maize and rice seed, to be ready for distribution at the beginning of the main cropping season in June.

RULE OF LAW

□ Judiciary

Two important regulations on judicial affairs were passed in the beginning of June. Regulation 2000/15 deals with the Establishment of Panels with Exclusive Jurisdiction over Serious Criminal Offences. It enables the creation of panels of judges within the Dili District Court, with exclusive jurisdiction to deal with serious criminal offences.

Regulation 2000/16 is on the Organisation of the Public Prosecution Service in East Timor. It proposes the establishment of public prosecutor offices, and among other

things, it defines the impartiality of the public prosecutors, their functions and authority.

Meanwhile, the first criminal hearing took place in Oecussi. The hearing of a man suspected of serious assault was carried out on the UNTAET premises on 31 May. The suspect was released on 1 June pending trial. He has to report to CivPol weekly. Also in Oecussi, a team from the judiciary has met with the District Administrator to discuss the practicalities of getting three judicial officials permanently established in the enclave.

Yayasan Hak, the East Timorese legal and human rights NGO, won a legal battle against UNTAET on 18 May in an East Timor court in Dili. The case concerned the continued detention of a murder suspect beyond the pro-trial limit. The judge ordered the man (a Falintil member) be released on procedural grounds. This finding has implications for another 38 suspects currently being held over the pre-trial period.

Two international experts arrived in Dili on 1 May to strengthen the training of judges and to launch a new mentoring programme for the 16 Timorese judges, prosecutors and public defenders appointed so far to the courts of Dili, Baucau and Oecussi. The training programme will deal with case studies relating to murder, since in the near future the judges will be dealing mainly with murder cases. The mentoring programme will focus on areas such as international legal norms in criminal procedure, trial simulation and the organisation of the court clerks.

Early May, a delegation of experts of the International Development Law Institute (IDLI) arrived in Dili to assess further training needs of judicial personnel. IDLI is an international organisation based in Italy. It specialises in the training of judicial personnel throughout the world and plans to provide training for Timorese judicial personnel — judicial police, prosecutors, judges, public defenders and court clerks — for a period of two years.

□ Civilian Police

The new Civilian Police Commissioner, José Luís da Costa e Sousa, arrived in Dili to take up his position on Wednesday, 7 June. He has nine years of experience in the United Nations Civilian Police and is a veteran of three UN missions in the former Yugoslavia.

The first contingent of 20 Jordanians from the Rapid Response Unit (RRU) arrived in Baucau at the end of May. It is expected that the full 120-strong unit will be operational by mid-June. The Jordanians will have similar capabilities as the Portuguese unit stationed in Dili.

□ East Timor Police Service

The East Timor Police Training College that opened in Dili at the end of March will have its first group of 50 cadets graduating by the end of June. The next class of recruits will commence training in July.

□ Penitentiary System

The renovation of Becora and Gleno prison facilities have been completed. Both prisons are now operational.

Becora prison in Dili provides space for 100 prisoners while that in Gleno has room for 120. The Gleno facility was renovated with funds provided by DFID.

HUMAN RIGHTS

UNTAET continues to monitor the current human rights situation in East Timor, with particular emphasis on episodes of intimidation and harassment against ethnic and religious minorities.

Following the 30 April 2000 disturbances, there has been an increase in threats and intimidation. The Human Rights Unit received requests from ethnic minorities living in East Timor for formal notification of their right to live in the country. According to UNTAET's Regulation 9, ethnic and religious minorities who have acquired their right to remain here under Indonesia cannot be expelled on the basis of their minority status. Also covered are

minorities who seek entry or have entered East Timor pursuant to UNTAET Regulation 9.

Exhumation of victims of the September violence continues. In Ermera, the bodies of two UNAMET personnel, killed in the violence last September, were exhumed early June. This is the first exhumation done in connection with investigations into the deaths of UNAMET staff..

Three British officials have joined the investigation unit under the Crime Department. A crime scene investigator from New Zealand has arrived to work with the forensic team.

PEACE AND SECURITY

□ Security Situation

East Timor is safe and secure, according to the assessment of UNTAET's Peacekeeping Force (UN-PKF).

There was, however, an incident towards the end of May when a PKF soldier was injured on the night of 29 May at the border with West Timor. Four men had thrown a grenade at a PKF post 13 kilometres from Maliana. The soldier, an Australian, received minor fragment wounds.

The quality of the road network in East Timor remains critical due to a prolonged rainy season, limiting the distribution of humanitarian goods, particularly shelter materials. A meeting between the PKF and contractors hired to fix the roads took place. PKF assumes a supportive role to the contractors in road repairs.

The New Zealand Battalion's engineers in Covalima district, assisted by 30 East Timorese workers, finished work on the road to the seaport in Suai Loro, which was washed away in the recent floods. The seaport is once again open, allowing the vital flow of humanitarian aid and PKF logistics.

On 29 May, the Korean PKF battalion started on the repair of a collapsed road at Tutuala, Lospalos district.

Meanwhile, the Portuguese PKF Battalion is providing engineering work for the Maubisse-Ainaro Bridge.

The PKF Bangladeshi engineering battalion completed the construction of a Bailey bridge in Viqueque, thus re-activating a major road link to the district. Another platoon constructed two Bailey bridges along the Gleno-Maliana road.

□ Civil-Military Co-operation

The PKF Thai Battalion on 5 June distributed rice, soap and clothes for 4,820 persons at Baguia village in Baucau district. In addition, the Thais supported a medical and dental team visit to the Viqueque district where 43 patients were treated. Over at the orphanage at Laga Church, 42 patients were treated.

The PKF Portuguese Battalion, assisted by 20 East Timorese workers, constructed a cultural house in Maubisse, Ainaro district.

In Ainaro district, the Portuguese Battalion, assisted by 100 East Timorese workers, continues with the rehabilitation and clean-up of the Hato Bulico-Maubisse and the Maubisse-Aileu roads.

In Liquica district, cleaning of the Mota Gularloa river continues to be undertaken by the Portuguese Battalion.

On 13 May PKF, together with CivPol and humanitarian agencies, rescued and returned 19 passengers from a boat which went missing early May. The boat had drifted into Indonesian waters after it left Atauro island. Passengers and boat were located ten days later on the Indonesian island of Wetar and returned safely to Atauro island

TRUST FUND UPDATE

□ UNTAET Trust Fund

Contributions to the UNTAET Trust Fund totalled \$28.5 million by mid-June. Of this, \$14.1 million had been either spent or committed to various priority activities including the salary costs of East Timorese civil servants and capacity building of. East

Timorese officials in the civil and judicial administration and law enforcement. Total pledges amount to US\$ 32 million.

□ World Bank-administered Trust Fund for East Timor

The World Bank-administered Trust Fund has received a total of \$34 million out of the \$147 million that had been pledged at the end of last year in Tokyo. As projects funded under the first instalments are implemented, disbursement is expected to accelerate fairly quickly in the second half of the year. Disbursements are projected at US\$5 million by end-June.