

# Fostering Democracy and Stability in Timor-Leste after the 2006 Crisis

## On the Benefits of Coordinated and Cooperative Forms of Support

*Karina Mross*

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Leste after the 2006 crisis

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## Foreword

This Discussion Paper has been written as part of the DIE research project “Transformation and development in fragile states”, which was supported by funding from the German Ministry for Economic Cooperation and Development (BMZ). The project is based on a typology of fragile statehood developed at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), which guided the selection of eight case studies. It differentiates between countries based on deficits in three dimensions of statehood: authority, legitimacy, capacity. On this ground, the following cases were selected for analysis – countries with substantial deficits in one of the dimensions: Senegal and Timor-Leste (capacity), Kyrgyzstan and Kenya (legitimacy), El Salvador and the Philippines (authority); as well as Burundi and Nepal, which face substantial deficits in all three dimensions of statehood. This paper presents the Timorese case study; other case studies are accessible on the DIE homepage. A publication on the overall findings is in preparation.

Completing this research would not have been possible without the generous willingness of the interview partners to participate during the field research, the participants of the online survey to share their insights and helpful comments on drafts of this study by Nicolas Lemay-Hebert. A very special thanks for stimulating discussions and continuous support goes to the other members of the project team: Charlotte Fiedler, Jörn Grävingholt and Julia Leininger.

Bonn, May 2017

Karina Mross

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Foreword

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## Abbreviations

CENI	Independent National Electoral Commission / Commission électorale nationale indépendante
CNE	National Electoral Commission
CNRT	National Congress for Timorese Reconstruction / Congresso Nacional de Reconstrução Timorense
EU	European Union
FALINTIL	Armed Forces for the National Liberation of Timor-Leste / Forças Armadas de Libertação Nacional de Timor Leste
F-FDTL	Timor-Leste Defence Force / Falintil Forsa Defeza Timor Leste
GNR	Republican National Guard (Portugal)
IDP	internally displaced person
IFES	International Foundation for Electoral Systems
INGO	international non-governmental organisation
IOM	International Organization for Migration
ISF	International Stabilization Force
MAG	martial arts group
MSS	Ministry of Social Solidarity
NDI	National Democratic Institute for International Affairs
NGO	non-governmental organisation
NRS	National Recovery Strategy
OECD	Organisation for Economic Co-operation and Development
PNTL	National Police of Timor-Leste / Polícia Nacional de Timor-Leste
SRSR	Special Representative of the Secretary-General
SSR	security sector reform
STAE	Technical Secretariat of Electoral Administration / Secretariado Técnico de Administração Eleitoral
UN	United Nations
UNDP	United Nations Development Programme
UNMIT	United Nations Integrated Mission in Timor-Leste
UNPOL	United Nations Police
USAID	United States Agency for International Development
USD	United States dollar

## **Executive summary**

Aiming to gain deeper knowledge of the impact that external engagement can have in fragile contexts, this paper analyses international support given to foster stability and democracy in Timor-Leste. Two main questions guided the research. First, have international actors contributed to the consolidation of peace and democracy in Timor-Leste? Second, which factors explain successful support, and which ones explain failure?

After having achieved independence, the young nation faced a new task: establishing a stable state and a functioning democratic system. Four years after formal independence had been established, a major violent crisis forced the government to invite an international stabilisation force. The crisis revealed not only that stability was still fragile, it also disclosed the many persistent challenges. Since then, considerable achievements have been made: solving the crisis of massive internal displacement caused by the 2006 events, and conducting two elections without major incidents, in 2007 and in 2012. However, problems in the security sector, which were closely linked to the outbreak of the 2006 crisis, still have not been comprehensively addressed. The international community provided substantial support to all of these processes, helping to facilitate important accomplishments, yet failing to prevent – or even reinforcing – some weaknesses as well.

The research uses selected “critical junctures” in the peace and democratisation process to assess the impact of donor engagement. The analysis focuses on these critical junctures in order to establish what impact they had and to infer the causality of donors’ support. International engagement claiming to have made a crucial contribution to the overall process should be visible in these critical junctures, while significant contributions to such critical junctures will, by definition, also have had an impact on the larger peace and democratisation processes. The critical junctures analysed are: 1) the 2007 electoral process, 2) the crisis of internal displacement (2006-2010) and 3) Security Sector Reform (2006-2014).

In order to analyse which factors influenced the effectiveness of external support, the research was guided by academic literature, which suggests that both choosing cooperative over coercive forms of cooperation as well as high levels of coordination increase the effectiveness of international support given to advance peace and democracy. Both of these expectations were generally confirmed by this research: high levels of coordination indeed helped to render external support effective, whereas low levels significantly hampered its success, as diverging approaches in the security sector show, in particular. Cooperative forms of support have been more successful, as illustrated by the very successful international facilitation of the government-led resolution of the internal displacement crisis. More coercive measures in the Security Sector Reform process provoked resistance and reduced the effectiveness of international support. Yet, the analysis also shows the limits of cooperative forms of support when framework conditions are unfavourable.

## 1 Introduction

Having successfully completed the long struggle for independence, Timor-Leste faced the next difficult task of establishing a stable state and democratic system. Stability still proved to be fragile, and a major crisis that brought the young nation to the brink of civil war in 2006 revealed the many challenges that remained. Since then, considerable achievements have been made: the Timorese had – in a remarkably short time – solved the crisis of massive internal displacement caused by the 2006 events, which involved almost 15 per cent of the population. Two elections were conducted, without any major incidents, in 2007 and in 2012. The latter were used by the government to demonstrate to the world that stability had returned to the country, and the peacekeeping forces were withdrawn by the end of that year. Yet, problems in the security sector, which were closely linked to the outbreak of the 2006 crisis and had made the presence of the international stabilisation force necessary in the first place, had still not been comprehensively addressed. Violence and insecurity continue to dominate everyday life, although some improvements have been achieved also in this regard.

The international community, and in particular the United Nations (UN), which had played a major role in the early years of Timorese independence, reinvigorated its support after 2006. Aiming to gain a deeper knowledge of the possibilities that external support offers in fragile contexts, this research analyses under which conditions, if at all, external development assistance contributed to stabilisation and democratisation in Timor-Leste. The present paper is part of a larger research project on factors influencing the effectiveness of international support in fragile states. It is based on a typology of fragile states developed by colleagues (Grävingsholt, Ziaja, & Kreibaum, 2012) that guided the selection of a total of eight case studies.<sup>1</sup> The period of analysis covers 2006 to 2014 and has been strongly informed by field research conducted in September 2014 in Timor-Leste. In 2006, Timor-Leste represented the type of fragile state that is characterised by a particular weakness in state capacity, as compared to the other two dimensions of statehood, authority and legitimacy.

The research is guided by the academic literature on international support to peace and democracy, which provides potential explanations for the success or failure of international engagement to effectively impact these processes. They presuppose that both *choosing cooperative over coercive forms of cooperation* as well as *high levels of coordination* enhance the effectiveness of this support.

In order to assess the impact of donor engagement, the research focuses on selected “critical junctures” in Timor-Leste’s process of stabilisation and democratisation. These critical junctures are events or decisions that were decisive for the country’s future development. At a time when alternatives were possible, they created path dependencies that are difficult to reverse.

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1 Other cases selected are: Senegal (particularly weak in the dimension of state capacity); Kenya and Kyrgyzstan (particularly weak in the dimension of state legitimacy); El Salvador and the Philippines (particularly weak in the dimension of state authority); Burundi and Nepal (weak in all three dimensions of statehood).



The critical junctures analysed are:

- 1) Legislative and presidential elections in 2007
- 2) Crisis of internal displacement 2006-2010
- 3) Security Sector Reform (SSR) 2006-2014

The paper continues as follows: Section 2 presents the theoretical and methodological background of this paper. It starts by introducing two hypotheses on the effectiveness of external support. Subsequently, it clarifies the concept of critical junctures, outlines the approach followed by this paper, and explains the case selection. Readers more interested in the empirical analysis are invited to continue directly onto Section 3. This section introduces the country case of Timor-Leste and analyses the three critical junctures listed above. In each juncture, the analysis starts by tracing the junctures' impact on the overall process and identifies the defining elements characterising the critical juncture, including key decisions, actors and institutions. After analysing the internal dynamics, the analysis continues by attributing donor support to the strengths and weaknesses identified and, finally, explains why donors were able to impact the juncture in a certain way, or failed to do so. Guided by the hypotheses, Section 4 analyses the effectiveness of donor engagement across all three critical junctures. In Section 5, the conclusion is presented.

## **2 Research design – theory and method**

This section presents the theoretical and methodological background of the paper.<sup>2</sup> It starts by briefly clarifying the understanding of the key concepts of “peace” and “democracy” before two hypotheses are derived from the literature in the next sub-section. The following sub-section briefly introduces historical institutionalism as an underlying framework and presents the concept of critical junctures, which is key to the research approach. A third sub-section positions the current paper within the framework of the larger research project, explaining case selection and focus.

The understanding of democracy is based on Robert Dahl's minimal definition, characterising democracy (or more precisely, polyarchy) by the key elements “participation” and “contestation”, but also by civil rights and the rule of law (Dahl, 1971). “Democratisation” refers to a change in regime quality on a scale from autocracy towards democracy. Democracy support, following Carothers, regards “aid specifically designed to foster opening in a non-democratic country or to further a democratic transition in a country that has experienced a democratic opening” (Carothers, 1999).

The definition of peace basically follows Johan Galtung's concept of negative peace, “which is the absence of violence, absence of war” (Galtung, 1964, p. 2). For the purpose of this paper, such a narrow, one-dimensional definition is more useful than broader concepts in order to isolate effects and differentiate between the two core concepts: peace and

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2 The research design, and thus content, of Section 2 is the result of collaborative work with Charlotte Fiedler, Jörn Grävingsholt and Julia Leininger.

democracy.<sup>3</sup> This concept of peace is often referred to as “stability” in political discourse, which is why both terms are applied interchangeably in this paper. Nonetheless, the analysis of donor support for stabilisation is not limited to the mere and direct containment of violence. A variety of different factors can contribute to stability. Therefore, donor engagement for stabilisation is understood as efforts to establish stability and/or consolidate it to prevent a renewed outbreak of violence.

The analysis aims to better understand the effectiveness of international engagement. International support is considered to have been effective if it was able to make a crucial or substantial contribution to a critical juncture, which, in turn (by definition), had a determining impact on the overall peace and democratisation process (see also Section 2.3).

## 2.1 Effectiveness of external support for peace and democracy: two hypotheses

Two hypotheses provide tentative expectations on how selected factors affect the impact of the international support that is given to foster stabilisation and democratisation. They have been derived from the extensive academic literature on external support to peace and democratisation processes as well as ongoing debates in policy circles. The hypotheses regard different dimensions of external support – organisation and forms of support – and provide potential explanations for the success or failure of international engagement to effectively impact these processes.

### 2.1.3 The role of donor coordination

Donor coordination has been one of the main topics of debate among Western donors in recent years. This stems from the realisation that the excessive fragmentation of aid has regularly impaired aid effectiveness in individual countries (Easterly & Pfutze, 2008; Lawson, 2013). For this reason, donors agreed on overall principles to improve the consistency and coordination of aid, as set out in the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008).

A first argument for coordination is a rather practical one – well-coordinated support should help to avoid duplications (Lawson, 2013). In many countries, a plethora of bi- and multilateral donors, international non-governmental organisations (INGOs), non-governmental organisations (NGOs) and implementing agencies work on development issues. In 2002 in Vietnam alone, Acharya, De Lima and Moore (2004) counted 25 bilateral donors, 19 multilateral donors and 350 INGOs implementing an overall total of 8,000 projects. In this context, donor coordination – implying a division of labour – can be essential to avoid duplication and, hence, make the support for peace and democracy more *efficient*. This is even more true since a multiplicity of uncoordinated donors working on

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3 This understanding of peace corresponds with the World Bank’s definition of the absence of organised violence as “the use or threat of physical force by groups including state actions against other states or against civilians, civil wars, electoral violence between opposing sides, communal conflicts based on regional, ethnic, religious, or other group identities or competing economic interests, gang-based violence and organized crime, and international, nonstate, armed movements with ideological aims” (World Bank, 2011, p. 39).

similar issues can easily become problematic by overburdening the absorption capacity of a country.

More importantly, donor coordination might help to raise the *effectiveness* of international support given to advance peace and democracy. This argument is based on the assumption that coordination can enhance coherence. Donor coherence implies that all donor policies further the same overall goal, or at the very least that their approaches do not conflict with or counterbalance each other. This point becomes particularly clear when looking at the effectiveness of conditionality: only when supported by all relevant donors can conditionality function properly, because otherwise recipient governments can simply pit one donor against the other (Boyce, 2002; Crawford, 1997; Emmanuel, 2010a; Faust, Leiderer, & Schmitt, 2012; Stokke, 1995).<sup>4</sup>

In practice, the extent of donor coordination varies widely. Pietschmann (2014, pp. 8-9) differentiates between “coordination through communication”, “cross-sector division of labour” and the “pooling of resources”. What can be found in almost every country today is coordination through communication, where donors regularly meet – with or without the local government – to exchange information and divide tasks among donors, both at the national and the sector levels (Pietschmann, 2014). The cross-sector division of labour simply makes donors concentrate their work on specific sectors, dividing tasks in such a way that all sectors are covered but duplications are avoided. Pooling resources is usually associated with the highest degree of donor coordination. Jointly planned and managed multi-donor trust funds are one example, which has become increasingly popular in fragile states. Apart from enhancing effectiveness, these funds can provide a forum for continuous policy dialogue and joint decision-making processes, thus facilitating more coherent engagement (OECD/DAC [Organisation for Economic Co-operation and Development / Development Assistance Committee], 2011, p. 82).

Although aid effectiveness and coordination have been major topics among donors, the impact of improved coordination on aid effectiveness has, to date, received little scholarly attention. Mostly, descriptive or theoretical work emphasises the transaction costs that poor coordination creates for both sides (Bigsten & Tengstam, 2012; Easterly, 2007; Kanbur, 2006; Torsvik, 2005).<sup>5</sup> First empirical analyses indicate the negative effects of donor fragmentation. Thus, for example, Knack and Rahman (2008) show that donor fragmentation decreases the bureaucratic quality of the recipient country. However, it appears advisable to have a closer look at the phenomenon. Ziaja (2013) finds that, although a higher number of donors providing general aid has a negative effect on democratisation, more donors providing democracy support positively influences democratisation. This is an interesting finding, given that one can expect coordination to be more difficult when more actors are involved. However, since the study cannot say whether democracy support was

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4 An exception to this argument is the rare case in which one powerful donor has the necessary leverage to enforce conditionality by himself. In reality, however, this is rarely the case. Moreover, frequently the most important donor in a country is actually the one standing in the way of efficient conditionalities, namely by refusing to join other donors who are trying to impose them (Emmanuel, 2010b).

5 One reason for this lack of research may stem from measurement issues or the fact that, despite donors' declared dedication to the matter, coordination has so far barely improved (Nunnenkamp, Öhler, & Thiele, 2011; Wood et al., 2011).

well coordinated or not, it might merely highlight the fact that pluralism plays an important role in democracy promotion.

Many authors actually recommend better donor coordination as a means of raising the effectiveness of democracy support, although they do not provide empirical support for this argument (see de Zeeuw & Kumar, 2006; Grimm & Leininger, 2012). The same argument recurs in the academic debate on successful peace-building, in which donor coordination is a common prescription among scholars and practitioners alike (see Paris & Sisk, 2009). Surprisingly, a recent evaluation calls this line of reasoning into question by claiming that coordination slowed down the donors' capacity to react to changing circumstances, and therefore restrained state-building activities (Bennett, Alexander, Saltmarshe, Phillipson, & Marsden, 2010).

Although the empirical literature has so far produced little evidence and contradictory findings with regard to the effects of donor coordination, avoiding duplications, policy incoherence and transaction costs are all good arguments as to why good coordination should make support to peace and democracy more effective. Although the impact of coordination on the effectiveness of such support remains understudied, in sum, the literature discussed above and donor discourse expect there to be a positive effect of coordination on the effectiveness of support to peace and democracy.

*Hypothesis 1: Higher levels of coordination of support to democracy and stability are more conducive to the effectiveness of this support.*

### 2.1.2 Cooperative vs. coercive forms of support

Peace and democratisation processes usually require institutional changes in response to changing political realities. These might be governance reforms or adjustments to institutions to incorporate formerly warring parties into the existing political system. It is generally acknowledged that domestic ownership of such fundamental changes is crucial, or even indispensable (see e.g. Burnell, 2007; Fortna & Howard, 2008; OECD/DAC, 2011; Schraeder, 2003). Accordingly, donor discourse emphasises that external support to peace and democracy should be more successful when matched by local ownership. At the same time, during such processes of change, power-relations inevitably shift. As a consequence, the interests of former power-holders, but also people aspiring to gain more power, are not always in line with efforts to support peace and democracy. Depending on the degree of consensus between international convictions and recipients' interests with regard to the next steps in the peace and/or democratisation process, external actors can choose to employ different forms of support. Focusing on the power-relations underlying the interaction, this research distinguished instruments similar to those on the continuum Burnell describes, ranging from coercive measures to those using "soft power" (Burnell, 2008).

One way that external actors can try to build strong, democratic institutions is through cooperative instruments. These are based on consent from both sides, usually manifested in an agreement in which aid recipients ask for assistance. Such measures aim at enabling and facilitating the process, usually in response to lacking capacities or overcoming other barriers to peace and democracy. Examples include financial and material support, enhancing technical capacities as well as empowerment but also electoral observation, mediation or providing third-party guarantees. The advantage is that external engagement

can build upon a certain level of local political will. Even in highly authoritarian settings where a political will for democratisation, for example, is lacking, social interaction and cooperation can be used to try to subtly change the attitudes of political actors through socialisation (Freyburg, 2010).

The aid effectiveness agenda strongly emphasises the importance of cooperative principles such as ownership, partnership and alignment for effective development cooperation. Combined with the recognised high relevance of domestic ownership for peace and democratisation processes, this strongly suggests that cooperative forms of support should be more conducive in this context. So far, no substantive evidence has been presented that specifically addresses the effectiveness of coercive versus cooperative forms of support in processes of democratisation and stabilisation (Burnell, 2008). Yet, some of the more cooperative measures for external actors to support peace and democracy have been shown to be effective.

Regan and Aydin (2006), for example, compare different types of interventions into civil war and find that diplomatic interventions are significantly associated with shorter conflicts. Consent-based peacekeeping has proven effective to overcome the security dilemma – third-party guarantees even appear to be a necessary condition for successful peace agreements after civil wars (Fortna, 2003; Mattes & Savun, 2009; Walter, 1997, 2002). Moreover, both quantitative and qualitative analyses find a positive relationship between peacekeeping and the duration of peace after civil war (see e.g. Doyle & Sambanis, 2000, 2006; Fortna, 2003, 2004).

External actors also have coercive instruments at their disposal if (personal or group) interests thwart peace and democratisation. This mostly means trying to pressure or force unwilling governments (or other major political actors) to embrace reforms, but also to refrain from or undo steps that may endanger peace or democracy.<sup>6</sup> In such cases, the political will for peace and democracy – at least at the elite level – is lacking. It is to be expected that such resistance makes external support more difficult, since it might imply imposing institutional change rather than supporting endogenously-driven processes.<sup>7</sup> Examples are sanctions and conditionalities, but also political pressure (Burnell, 2008). Evidence with regard to the effectiveness of such coercive instruments remains limited.

Sanctions are one coercive instrument in international politics that is often used, yet it is strongly debated. Academic literature has largely come to pessimistic conclusions regarding their effectiveness (Cortright & Lopez, 2002; Hovi, Huseby, & Sprinz, 2005; Hufbauer, Schott, & Elliott, 1985; Lacy & Niou, 2004; Page, 1998; Strandow, 2006; Drezner, 2003a, 2003b; Vines, 2012). Reasons to explain this lack of impact include the long preparation phase for installing effective sanctions, the lack of political will to fully enforce them as

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6 The most coercive form of external democracy support – external invasion or war – is an extreme case that is not taken into account in this analysis, since the research project only looks at countries that have specifically decided to engage in post-conflict democratisation.

7 In reality, coercive instruments and cooperative instruments cannot be neatly separated but often overlap or are used jointly. For example, international mediation is not possible without the consent and participation of the two warring parties. However, threatening sanctions can be an important instrument to keep all parties at the negotiation table. This paper differentiates between the two, depending on whether the instrument was initially based on consent, but it fully acknowledges the possible interaction of the two forms of support.

well as unintended negative effects, such as humanitarian crises or greater internal cohesion as a result of external threats (Drezner, 2003a; Vines, 2012).

Aid conditionalities are another controversial coercive instrument for supporting peace and democracy.<sup>8</sup> These can, for instance, be aimed at supporting steps towards further democratisation or achieving compliance with peace agreements. However, beyond the very specific and successful case of European Union (EU) accession (Grabbe, 2006; Schimmelfennig & Sedelmeier, 2005; Youngs, 2010), the effectiveness of conditionalities remains unclear. Donors, in particular, argue that decreasing aid dependence has rendered even positive conditionality ineffective. Instead, it produces hollow reforms only aimed at appeasing donors (Youngs, 2010). Interestingly, academic literature does not dismiss political conditionalities *per se* as being ineffective, but rather emphasises the weak enforcement of conditionalities as one of the main reasons why they do not succeed (Boyce, 2002, 2003; Crawford, 1997; Emmanuel, 2010a; Frerks & Klem, 2006; Goodhand & Sedra, 2007). Since mostly donors do not implement conditionalities consistently (failing to coordinate effectively, or due to other priorities on their agendas), it is difficult to trace the actual impact of political conditionality on peace and democracy.

Hard evidence appraising the effectiveness of the different forms of engagement for democracy and stability has been inconclusive (Burnell, 2007; Grävingsholt & Leininger, 2014). However, overall, these different strands of literature suggest that cooperative forms of supporting peace and democracy should be preferred.

*Hypothesis 2: Cooperative forms of support to democracy and stability are more conducive to the effectiveness of this support than coercive and conditioned forms of support.*

## 2.2 Methodological approach

Political change – such as any peace and democratisation process – is an inherently domestic process. It is decided upon and executed but also constrained by local actors and institutions. According to historical institutionalism, path dependency and self-reproducing institutional settings only allow for gradual change (Hall & Taylor, 1996). At the same time, institutions are considered “legacies of concrete historical struggle” (Mahoney & Thelen, 2009, p. 7). Thus, the interplay of institutions or structures and actors shapes such social phenomena. Historically evolved institutions might structure political action for democratisation and stabilisation, but they do not determine the outcome of these processes, which are also significantly influenced by human agency (Hall & Taylor, 1996; Pierson, 2004; Sanders, 2008, p. 41; Scharpf, 2000; Steinmo, 2008, p. 151).

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8 Here, this paper follows the definition put forward by Frerks and Klem (2006, p. 5): “Conditionality is the promise or increase of aid in case of compliance by a recipient with conditions set by a donor, or its withdrawal or reduction in case of non-compliance.” This definition captures the “carrot and stick” approach inherent to using both negative and positive conditionalities. Conceptually, negative conditionalities are essentially a type of sanction.

Institutional stability may be interrupted by a relatively brief period<sup>9</sup> of contingency, during which the institutional setting is in flux (Capoccia & Kelemen, 2007; Mahoney, 2001). Such “moments of relative structural indeterminism” occur, in particular, during times of political upheaval (Mahoney, 2001, p. 7), such as a democratisation process or the end of war. According to James Mahoney, during these periods, critical junctures can significantly determine the future development of a country. He defines them as: “[C]hoice points that put countries (or other units) onto paths of development that track certain outcomes – as opposed to others – and that cannot be easily broken or reversed” (Mahoney, 2001, p. 7).

This definition highlights that a critical juncture (and thus its outcome) has a significant impact on the larger (political) process. In this way, critical junctures contribute to future path dependencies, generating institutional or structural patterns that cannot be easily altered afterwards (Mahoney, 2001, pp. 4-8; Wolff, 2013). Yet, agency can play a crucial role during such a critical juncture, since at this time institutional patterns do not confine actors’ choices to the same extent, but “wilful actors shape outcomes in a more voluntaristic fashion than normal circumstances permit” (Mahoney, 2001, p. 7).

The present paper uses critical junctures to conduct a “within-case comparison” of international support given to advance peace and democratisation in Timor-Leste.<sup>10</sup> This approach helps to establish impact and infer causality of donor engagement, and thus assess factors influencing the impact of international support. The underlying idea is that donors claiming to have impacted the overall process must have contributed to such decisive events, which have a powerful impact on the political process. At the same time, the high relevance of a critical juncture allows for drawing causal inferences also in the other direction: if external engagement had a significant influence on one specific critical juncture, arguably it also impacted the larger political process. The basic idea of critical junctures is to some extent also acknowledged and applied in the praxis of democracy support. Donors have recognised that targeted interventions geared towards “windows of opportunity” emerging during a process of democratic transformation may have a deeper and more persistent impact (Schmitter & Brouwer, 1999).

Critical junctures can be positive (e.g. free, fair and undisputed elections) or negative (e.g. failure of an important reform project), and accordingly impact positively or negatively on a general process (such as democratisation) but, by definition, *a different outcome had been plausible* at the time. This strong counterfactual logic inherent in the concept allows one to use critical junctures as an analytical tool that serves to approximate impact and draws causal inferences within a political process.

For analytical purposes, it is helpful to examine the critical junctures in depth and identify weaknesses and achievements that determined their development. These may be generated

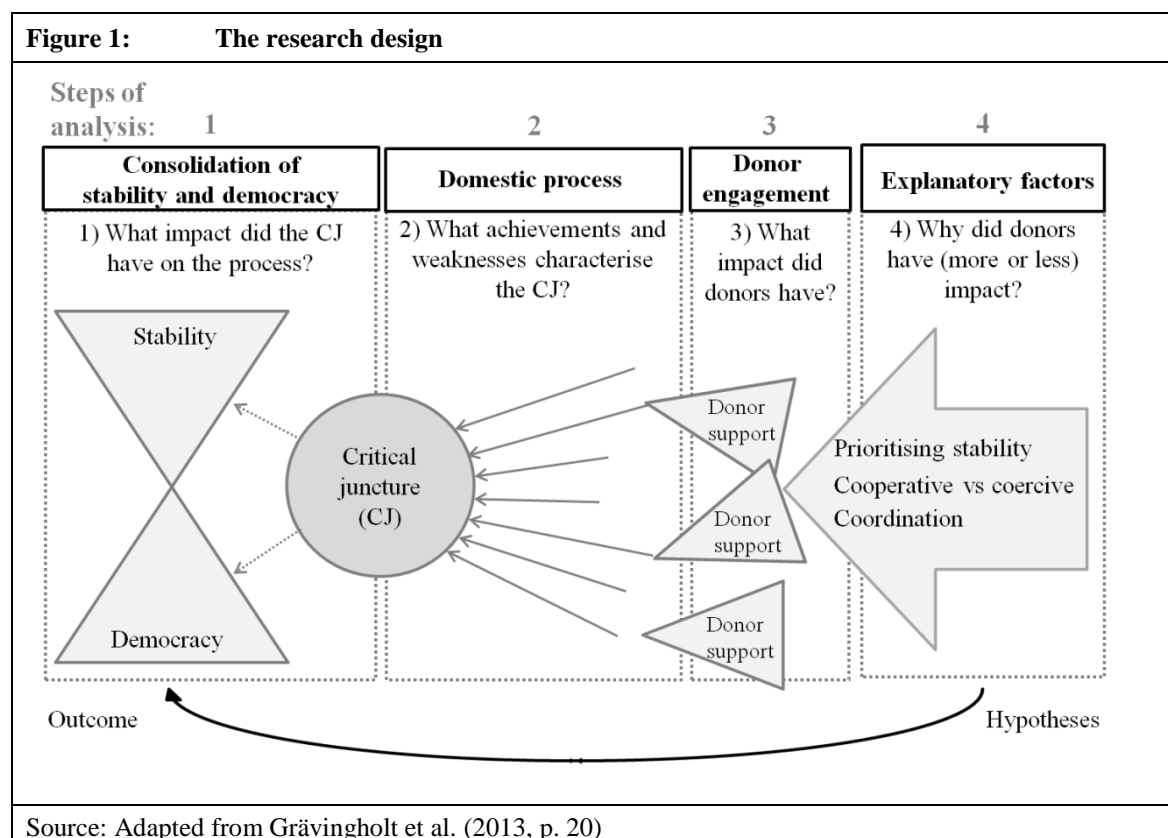
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9 Relative, that is, with regard to the period of path-dependency triggered by the critical junctures. Although some scholars metaphorically (and misleadingly) refer to critical junctures as “moments”, the term is generally employed for periods that can actually take place over several years (Capoccia & Kelemen, 2007, p. 350).

10 The paper constitutes part of a larger comparative research project featuring eight case studies – two examples for each type of fragile states. This allows one to go beyond the within-case comparison of a single case to use paired comparisons between two cases within one type of fragility as well as cross-country comparisons between whole set of cases and all four fragility types to gain further insights with regard to the hypothesis and the relevance of the fragility type (paper forthcoming).

– but also overcome – by decisions and the actions of key actors. This approach allows for a detailed analysis of causal developments and influences within the process and mirrors the theoretical considerations by Capoccia and Kelemen, emphasising the need to look in detail “to identify the key decisions (and the key events influencing those decisions) steering the system in one or another direction, favouring one institutional equilibrium over others that could have been selected” (Capoccia & Kelemen, 2007, p. 369). Matching international activities with the main characteristic of the critical juncture makes it possible to construct a theoretical causal chain, from donor activities relating to or addressing the strengths and weaknesses of the process, to the outcome of the critical juncture. The attribution of impact thus relies on constructing plausible theories of impact through: 1) plausible counterfactual reasoning and 2) alternative explanatory factors. Advancing the analysis to this level widens the vision to take influences (and international engagement) into account that are not intuitively or directly related to the political process. Thus, in cases where a constitutional court played a key role during an electoral process, the analysis might yield that previous long-term rule-of-law projects were significant factors in strengthening the court and, consequently, had an important impact on the electoral process.

In each critical juncture, the analysis follows four steps, which are also visualised (from left to right) in Figure 1. The graphic, furthermore, depicts the logic of the hypotheses, that is, how the explanatory factors from the hypotheses are expected to impact the outcome this paper seeks to explain (consolidation of stability and democracy).



The first step of the analysis assesses the relevance and impact of the juncture on the overall peace and democratisation process. The second part analyses the evolution of the critical juncture, identifying the main processes, actors and decisions that led to the particular outcome. The aim is to highlight the strengths and weaknesses characterising the critical



junction: taken together, they explain why the juncture was able to positively or negatively impact the peace and democratisation process. The third component is an in-depth analysis of donor engagement for stability and democracy in the context of the critical juncture. The question now is whether donors contributed to the achievements and failures of the juncture, and if so, to which ones, and how. The fourth step in the analysis concerns the explanatory factors and how they help to explain the success or failure of the support that was provided.

Using critical junctures to measure external impact on political processes and close the attribution gap between donor activities and macro outcomes is a novelty and has not been undertaken before in any systematic way. It sets this research project apart from standard evaluations of donor engagement that often fall short of providing convincing evidence of impact due to methodological shortcomings (Grävingholt et al., 2013; Grävingholt & Leininger, 2014; Grävingholt, Leininger, & von Haldenwang, 2012).

### 2.3 Case selection

Timor-Leste has been selected for analysis as part of a comparative research project on international support to fragile states. The research project is based on the premise that specific contextual factors impact the success of international support that is given to foster stabilisation and democratisation. The project builds on a quantitative analysis that clusters countries according to the degree to which they satisfy the core dimensions of statehood: capacity, authority and legitimacy (Grävingholt, Ziaja, & Kreibaum, 2012). It suggests that, empirically, four groups of fragile states can be usefully distinguished: those with serious deficiencies in mainly one of three dimensions of statehood (i.e. authority, or control of violence; capacity to provide basic services; and legitimacy of the state); and those cases where deficiencies in all three dimensions co-occur. In total, the larger project (forthcoming) analyses a set of eight case studies covering those four types of state fragility<sup>11</sup> applying the same approach, which helps to substantiate findings and assess the impact of the fragility context.

Timor-Leste was selected for the analysis because it was classified as being particularly weak in the dimension of state capacity at the starting point of the analysis in 2006.<sup>12</sup> The provision of basic services is a serious problem.<sup>13</sup> Despite improvements, service provision in areas such as education and food security remains extremely weak. Although state spending has increased considerably in the last years (rendered possibly by tapping the petroleum fund), the net output is perceived to have decreased. A lack of capacity is rampant within all ministries and other institutions, as national and international interviewees confirmed (Interviews 5, 6, 21, 22).

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11 Type A: substantial deficits in all three dimensions (Burundi and Nepal); Type B: low levels of state capacity (Senegal and Timor-Leste); Type C: low levels of legitimacy (Kyrgyzstan and Kenya); Type D: low levels of authority (El Salvador and the Philippines).

12 Interviewees mainly confirmed the capacity dimension as being the weakest of the three, both in 2006 as well as in 2014 (Interviews 1, 5, 6, 21, 22, 32, 43).

13 Indicative of the extremely low state capacity to provide basic services is its 2007 Human Development Index rank of 163 out of 182. Since then, it improved its position in 2012 to rank 134 out of 208.

The legitimacy of the Timorese state is comparatively strong, derived from the long resistance struggle against Indonesia, resulting in the establishment of independent Timor-Leste (Interviews 6, 21, 32). Although a rebel group aimed to install different heads of state between 2006 and 2008, state legitimacy as such has not been contested (Interview 37).

State authority was limited during the violent crisis in 2006, which kept the country in a status of instability until 2008. Although the authority to exercise the monopoly of violence was not in itself seriously disputed, the virtually disintegrated security forces were incapable of exercising their authority. Overall, different sources agree that weak state capacity presented the dominant problem in Timor-Leste.<sup>14</sup>

Further selection criteria for the case studies were:

- a key event sometime in the past 10 years followed by a leap in the country's level of governance, that is, stabilisation and/or democratisation;<sup>15</sup>
- a significant increase in external state-building/democracy support either shortly before or shortly after this key event.

The 2006 crisis constituted just such a key event in Timor-Leste: it was a turning point not only for the country, but “maybe even more so for international actors” (Cabasset-Semedo & Durand, 2009, p. 11; Lothe, 2010). Their focus shifted back to peace-building and stabilisation, and Timor-Leste became a prime example of a fragile state (Lothe, 2010). The government requested international support to stabilise the situation in 2006, leading to the deployment of the International Stabilization Force (ISF) by Australia and New Zealand. Moreover, another UN mission with a far-reaching mandate entered the country. However, since stability had returned, the government strove towards demonstrating to the world that Timor-Leste was not a fragile state anymore. Income from the petroleum fund had enabled it to assert itself vis-à-vis the international community. In this line, it was even able to provide substantial international assistance itself.<sup>16</sup> The slogan promoted by the government, “Goodbye conflict, welcome development”, is also reflected in official development assistance (ODA) numbers: ODA spent in the area of “conflict, peace and security” – as classified by the Organisation for Economic Co-operation and Development (OECD) – which had multiplied in the aftermath of the 2006 crisis, had more than halved again.

Determining the focus of the research, the selection of the critical junctures constituted an important step in the research process. In order to aid the selection of critical junctures in Timor-Leste after 2006, a preliminary list of 11 potential critical junctures was first identified on the basis of an extensive literature study. Subsequently, selected experts

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14 This is not to say that focussing solely on this dimension would be fruitful for addressing state fragility in Timor-Leste. The reason why problems in the authority dimension are not the most prominent weakness might be because external support, in particular, helped to stabilise and strengthen this dimension when massive international support facilitated the establishment of an independent Timor-Leste.

15 Only cases experiencing a positive development in terms of progress towards peace and democracy were selected since the key event might appear to introduce a selection bias. This is avoided by placing the level of analysis on a lower level focusing on the critical junctures, which can be positive or negative. An fairly positive trend throughout the last decade overall, however, is necessary to have any chance of finding successful international engagement.

16 This amounted to almost USD 1 million in the first three quarters of 2014.

(international and Timorese) were asked to verify and condense the selection in a short online survey. This served to gain broad and diverse perspectives on the events and their respective relevance to the peace and democratisation process, and also to determine which ones fulfilled the criteria of a critical juncture. To be selected as a critical juncture for analysis, each event or process needed to 1) have had a significant impact on the peace and/or democratisation process, 2) at a time when alternative developments had been possible and 3) should have received some external support, so that the research question could be addressed.

Based on this procedure, the following three critical junctures were selected<sup>17</sup>:

- 1) legislative and presidential elections 2007
- 2) crisis of internal displacement (2006-2010)
- 3) (failure of) Security Sector Reform (2006-2014)

Next to written sources, the findings are based on 40 semi-structured interviews conducted in Dili in September 2014.<sup>18</sup> The interviews helped in gaining in-depth knowledge of the processes within the critical junctures from different perspectives. Since the domestic processes constitute the starting point of the empirical analysis, only those international actors and measures that played a significant role in the selected critical junctures are considered in this analysis. Interlocutors were representatives from the Timorese government, administration and civil society (including think tanks and media) as well as international representatives, including bilateral donors, multilateral organisations and diplomatic actors. Key actors were selected through literature reviews, combined with on-site snowball sampling. Adapted to the background and expertise of individual interviewees, each interview covered one or several critical junctures and focused on domestic and/or international factors.

### **3 International support given to advance democracy and stability in Timor-Leste between 2007 and 2014**

Timor-Leste is one of the world's youngest independent nations. After decades of Portuguese colonisation, followed by Indonesian occupation, the long and violent struggle for independence finally led to a referendum on Timorese independence in 1999. The overwhelming majority of Timorese voted for full independence from Indonesia (instead of mere autonomy). These results were met with large-scale violence and destruction, although the accounts by the Indonesian military (Goldstone, 2013) and the Timorese militia opposed to independence diverge (Call, 2012, p. 139). A UN force intervened and a comprehensive UN mission took charge of the transitional administration to prepare the country for independence. It was "tasked with rebuilding the country from scratch" (Ottendörfer, 2013),

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17 See survey results in Annex 2.

18 As many interviewees agreed to be interviewed only on the condition that they remain anonymous, the interviews are denoted solely by an ID number. Annex 1 provides generic information on each interviewee's background. Interview transcripts and information on the identities of interviewees are stored at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) in accordance with the institute's policy on good academic practice.

since around 70 per cent of the East-Timorese public and private infrastructure had been destroyed, and two-thirds of the population had been displaced. In 2002, the UN mission prepared elections for a Constituent Assembly as well as presidential elections to subsequently hand sovereignty over to the new government of an independent Timor-Leste. The mission withdrew, and two much smaller missions were installed to provide continuous support to reconstruct this small nation, in particular the security sector.

Shortly after the UN peacekeepers left in 2005, a major crisis brought the country to the brink of civil war (Schlicher, 2008). The immediate trigger was a protest by soldiers, primarily from the west, later commonly referred to as “the petitioners”, who were protesting against discrimination within the Timor-Leste Defence Force (F-FDTL). Although they started peacefully, the protests soon acquired a more violent character, which escalated during a direct confrontation with the police at the end of May 2006 (Engel, 2006; Lothe, 2010; Sahin, 2011). It was fuelled by tensions and conflicts between the National Police (PNTL) and the F-FDTL, and it was exacerbated by the instrumentalisation of youth gangs. Moreover, the crisis became entwined with issues of landownership and property titles when people used the crisis as cover for retribution and the settling of community or neighbourhood conflicts (Lothe, 2010, p. 438). In total, 38 people were killed during the crisis and thousands of houses were burnt. More than 150,000 people fled their homes, and large camps of internally displaced people sprang up all over Dili.

In 2006, the government invited international forces to stabilise the situation. Peacekeeping forces were deployed and the Timorese police was placed under direct responsibility of the United Nations Police (UNPOL). The situation was steadied somewhat, yet instability prevailed with continuing tensions between the government and petitioners, the police and army, as well as along the east–west divide. In particular, the former head of the military police, Alfredo Reinado, led a group of rebels to launch attacks from a hideout in the hills. The situation peaked with Reinado’s attempt to assassinate both the president and prime minister in 2008. He failed, being killed himself in the endeavour. The situation quickly calmed down and began to normalise again.

The nascent democracy was put to the test during the violence and instability following the 2006 crisis. Yet, it seems to have overcome the challenges and has advanced not only with regard to strengthening stability, but also democracy. Already existing tensions between Prime Minister Marí Alkatiri and President José Ramos-Horta had flared up due to the crisis. After a political standoff, the prime minister resigned and Ramos-Horta assumed the post. Shortly after the crisis, with the country still facing massive internal displacement, presidential and – later – parliamentary elections took place in 2007. These were judged to have complied with basic democratic standards. A major test for the still fragile emerging democracy occurred when diverging interpretations of the constitution led the largest party (Fretilin) to declare the new government as being illegitimate. However, the results themselves were not seriously contested, and Fretilin did not actually boycott the parliament, as they had threatened, which allowed for a first, relatively peaceful, change of government. In contrast to the strong UN involvement in 2007, the next round of elections in 2012 were primarily organised by the Timorese themselves. They were also judged to be generally free and fair; compared to 2007, they were considered to be more peaceful but perceived as being less democratically spotless (Feijó, 2012). A 3 per cent threshold introduced before the 2007 elections reduced the high number of parties that had contested in the first post-independence elections in 2001. The changes reduced the number to four

main parties, which is a more sustainable amount for a country of this size with limited financial and human resources.

Yet, the country's democratic credentials in recent years have not been overly positive. Co-optation, personality-driven politics, restricted freedom of expression and rampant corruption have hampered democratisation. Moreover, neither the sources of potential instability, nor the country's violent history have been dealt with and addressed.

After the 2012 elections, Fretilin was co-opted by the government, meaning that – in contrast to the previous legislature – the parliament lacked a strong opposition. This trend continued after Rui Maria de Araújo became prime minister in February 2015 and formed an all-party government.

Political parties operate based on allegiances and historical affiliations rather than political platforms and policies. The strong focus on high-profile personalities or independence leaders allows little room for personal renewal. Yet, with the succession of Xanana Gusmão by de Araújo as prime minister in February 2015, an important step was made in this regard: for the first time, a Timorese head of state did not belong to the generation of independence fighters, who have so far dominated politics. Fears that the long-proclaimed – but delayed – resignation of Gusmão would create a power vacuum and create instability highlight the importance of this step.

In 2014 a highly restrictive press law was presented to the president. Although he requested changes – encouraged to do so by the international community – the revised version still drew considerable criticism when enacted at the end of the year (Freedom House, 2015). At the same time, corruption remains rampant and the freedom of the press remains limited.

The 2012 elections were used by the government to demonstrate to the world that stability had returned to the country – successfully, as the United Nations Integrated Mission in Timor-Leste (UNMIT) and the ISF officially handed over responsibility and left the country by the end of that year. Nevertheless, a number of factors continue to pose a threat to stability – not least the extremely high youth unemployment (EIU [Economist Intelligence Unit], 2017)<sup>19</sup> in combination with the omnipresence of violence in everyday life. Moreover, alienation between the security forces has not yet been fully overcome and bears considerable conflict potential, as the 2006 crisis demonstrated. Timorese civil society is highly critical of the government's approach to “buy peace” by subduing groups with a destabilising potential through generous spending schemes, such as the pension scheme for veterans, which is likely to deplete the pension fund within the next decade.

In dealing with past war crimes, political leaders have emphasised forgiveness and the appreciation of the resistance instead of truth-seeking and “devaluing heroism through victimisation” (Ottendörfer, 2013). UN efforts to provide justice have been as unsuccessful as the Truth and Reconciliation Commission, whose recommendations have not been implemented. So far, no (high-ranking) perpetrators have been held accountable for their actions, and victims have not received material redress nor acknowledgement (Ottendörfer, 2013; Robins, 2013).

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19 Officially, youth unemployment averaged 14 per cent in 2014 (World Development Indicators of the World Bank), yet estimates for youth unemployment in the capital ranged between 40 to 60 per cent (World Bank, 2016; EIU, 2017).

About twenty donors have been active in Timor-Leste in the last decade, with the largest by far being Australia, followed by the United States, EU institutions and Portugal – each having contributed less than a third of Australian ODA (OECD/DAC, 2017). Although ODA has increased since 2006, the share of net ODA in relation to gross national income has decreased considerably and only amounted to less than 6 per cent in 2012, due to increasing oil revenues. Nevertheless, technical support and expertise continue to play an important role. As one international representative who has lived in Timor-Leste since before the crisis states: “[T]he ministry of finance is practically awash with foreigners. [...] the country doesn’t run without foreigners now. And that’s nothing to do with the crisis. [...] and that won’t be solved for three decades” (Interview 5). Indonesia retains considerable influence on Timor-Leste’s internal affairs,<sup>20</sup> not least by constituting its main source of imports. However, neither written nor oral sources referred to any significant Indonesian influence in the processes analysed.

The next sections analyses each of the three critical junctures in turn. For each critical juncture, the analysis is structured by the defining elements that characterised the critical juncture and determined its impact on stability and democracy in Timor-Leste. Hence, the analysis is guided by the political dynamics of each critical juncture individually, instead of following a standardised procedure, to allow focusing on those aspects most relevant for the particular process at hand. After analysing the domestic process, the role of international support in these defining elements is elaborated.

### 3.1 Critical juncture 1: elections 2007

This section starts by discussing the relevance and potential alternative outcome of this critical juncture before providing an introductory summary of the process and international support provided. Afterward, the detailed analysis focuses on the organisation of the elections, the security situation and government formation.

The 2007 elections constituted a critical juncture in the Timorese processes of democratisation and stabilisation. The breakdown of the security forces and massive displacement had paralysed and severely destabilised the young state. Most of the government had become dysfunctional (Interview 18). Across all parties, the leadership had been highly discredited in the eyes of the people, while at the same time the challenges were mounting: 10 per cent of the population was displaced and living in camps throughout the capital, security forces had disintegrated and international forces were once again on Timorese soil to provide security. Hence, organising successful elections was extremely important, both for democratisation as well as stability in the country. Shortly after major violence had unsettled the country, it was vital that a new government with renewed legitimacy tackle the many challenges (Schmitz, 2007).

Prevailing instability threatened the process as a consequence of the 2006 crisis, which might well have led to further disruption instead of stabilisation. Moreover, Prime Minister Alkatiri was forced to resign in June 2006 after a political standoff with the president. After

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20 Thus, for example, on the occasion of celebrating 10 years of independence, Indonesia’s foreign minister attained the release of an arrested militia leader – although this breached the law – by refusing to leave the airport otherwise (Kingsbury, 2009).

his resignation, an interim government was installed by Fretilin, since the party continued to hold the majority in parliament. The ISF remained in the country, together with a new UN peacekeeping mission (UNMIT). The risk for a renewed outbreak of violence was high, as elections were being conducted so soon after the 2006 crisis in a very tense and unstable environment. Many observers feared escalation; the population's main concern, in the context of the elections, was if peace would prevail (Lempp, 2008; Interviews 9, 35).

In this tense environment, two rounds of presidential elections were conducted on 9 April and 9 May 2007, followed by parliamentary elections on 30 June 2007. In Timor-Leste, the president has only limited political power with regard to both external as well as internal matters, but his position has a high symbolic significance. More powerful, however, is the post of the prime minister, which rendered the parliamentary elections to be the more politically relevant and sensitive.

During the presidential elections, a major power-shift already prefigured – the hitherto strongest party, Fretilin, had clearly lost its voters' confidence. Their candidate, "Lu Olo" Guterres, notably received only 31 per cent of the votes, compared to 68 per cent for the independent candidate, Ramos-Horta. This trend was reconfirmed in the parliamentary elections, where Fretilin suffered a significant reduction in his share of votes. For the first time, the party that had emerged from the resistance movement did not receive the absolute majority, although it remained the (relatively) strongest party (Guterres, 2008).

The electoral outcome created a highly sensitive situation due to constitutional ambiguity, which brought the country to the brink of a crisis once again: according to the constitution, the president should invite the winning party to form the government or – if no party achieves a majority – a coalition of parties that jointly obtain the majority of votes. Fretilin argued that, as the party that had gained the most votes, they should be allowed to form the government. However, during the previous legislature, Fretilin's designated prime minister, Alkatiri, not only had largely lost the trust of the population, but, moreover, he had alienated potential coalition partners. After a month of discussions marked by sometimes-violent demonstrations, President Ramos-Horta decided to ask the newly formed coalition, the Parliamentary Majority Alliance,<sup>21</sup> which was under the leadership of the popular independence leader, Gusmão, to form the government. Apparently, Ramos-Horta had discreetly tested the ability of Fretilin to gain majorities by asking them to elect the president of the parliament, which they failed to do several times (Interviews 11, 33). Nevertheless, his decision was met with outrage by Fretilin. When Gusmão was sworn in, violent incidents occurred; in some districts – in particular in the Fretilin strongholds Baucau and Viqueque – more than a hundred houses were set ablaze, including government buildings<sup>22</sup> (Borgerhoff & Schmitz, 2008). Regardless, compared to the strong rhetoric of the Fretilin leadership, their actions were more moderate. A large "peace march" that was initially planned in order to protest against the president's decision – and which easily could have got out of hand – was not held (Interviews 9, 42). Although the party continued to regard

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21 The alliance includes the National Congress for Timorese Resistance (CNRT), the Social Democratic Association of East Timor (ASDT), Social Democratic Party of East Timor (PSD) and the Democratic Party (PD).

22 Attacks also hit international aid organisations and UN convoys, probably indicative of the fact that many people were convinced that the international community, in particular Australia and the United States, had been involved in what Fretilin claimed was an attempted coup d'état to remove Alkatiri from power.

the government as illegitimate, referring to it as “de facto” only, eventually the party members joined the parliament as a strong and constructive opposition, even supporting important governmental reforms (Kingsbury & Leach, 2013; Woischnik & Müller, 2012).

The amount of international support given to assist the electoral process was substantial. According to da Silva, the 2007 elections were “technically carried out by the UN, assisted by the East-Timorese Technical Secretariat for Electoral Administration [STAE] and supervised by the National Electoral Commission [CNE]” (da Silva, 2009). International support was principally channelled through the electoral cycle programme of the United Nations Development Programme (UNDP), to which also bilateral donors such as Australia, Portugal and Norway contributed. Next to massive technical and logistic support (e.g. substantially involved in drafting electoral legislation), a high number of international election observers were present to monitor the electoral process. Soon after the crisis, people had limited trust in their institutions; therefore, international support was important not only for providing assistance, but also to create trust and credibility (Interview 35). Interviewees stated that the elections would have been less successful without international support, which had been “very, very helpful” (Interviews 9, 19).

The next sub-section examines in more detail key aspects characterising the electoral process and its effect on the overall political dynamics. These regard the organisation of the elections, the security situation as well as the government formation, all of which jointly determined the outcome of this critical juncture. The following sub-sections address each of these aspects in turn and identify international contributions.

### 3.1.1 Organisation of elections

The organisation of the elections was executed successfully, although some minor problems and irregularities occurred. The elections were judged as generally being free and fair and conforming with basic democratic standards (European Union Election Observation Mission, 2007; Feijó, 2009). Party representatives observed the counting, which reduced possibilities to manipulate votes. The elections were organised with strong international engagement, in particular from the UN, with bilateral support mainly being channelled through the UNDP programme, which provided considerable technical assistance and training for the STAE and the CNE; prepared and supervised the process; and helped to design the legal framework.<sup>23</sup> Analysts and representatives of the electoral institutions judge that this support made an important contribution towards having well-organised elections (see e.g. Interviews 9, 19, 35). In particular, training for the CNE on media communication, legal background and vote counting was considered important<sup>24</sup> (see e.g. Interviews 11, 15, 19). To improve the chances of fair contestation, UNDP “offered campaign support resources to all political parties” (Leach, 2009). Logistics are a major challenge in Timor-Leste, as access to remote areas is difficult; UN support with transporting sensitive equipment was thus considered helpful (Interviews 19, 29, 35).

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23 Although their support in this context is not perceived as being entirely positive, as they simply did the work themselves without involving the Timorese (Interview 19).

24 Provided by the UN, but also the International Foundation for Electoral Systems (IFES), the National Democratic Institute for International Affairs (NDI) and others.



Preparation and implementation was hampered by the late passage of several laws, for example on the establishment of the CNE, but also by a change introduced after the presidential elections to shift the counting from the polling stations to the districts. Intended to reduce a potential source of conflict in the villages by making voter decisions less traceable, implementing the changes so close to the elections proved problematic (ICG [International Crisis Group], 2007). Moreover, the transport to district capitals introduced a new potential for fraud, with accusations of the same following promptly after the elections (Interview 9). Other difficulties and deficiencies were related to voter registration,<sup>25</sup> such as large discrepancies between the number of actual voters vs. registered voters. The UN had assisted in the registration process by providing equipment and training (Interviews 19, 35). Yet, it is not clear if they could or should have done more to prevent this, or if, without them, the situation would have been even worse. Overall, however, these weaknesses did not jeopardise the legitimacy of the results in the eyes of the population (Feijó, 2009).

A key strength of the process was the remarkably high voter turnout of more than 80 per cent, even though, for many people, this meant long walks to polling stations and waiting in line (Interviews 12, 19). Yet, observers stated that “money politics” were very influential during these elections (Interviews 9, 24). At the same time, knowledge about the process was relatively low: people turned up to vote without knowing how to handle the ballot paper, which led to invalid votes and breaches of election secrecy. This happened above all in remote, rural areas, whereas in Dili, voter awareness was much higher (Interviews 4, 9, 11, 12). As the 2007 elections were only the second time that elections had been conducted since independence, people did not have much experience, and the late establishment of the CNE (in January) left only very limited time for voter education (Interview 19). However, after the first round of elections, the number of invalid votes decreased considerably (Feijó, 2009).

Important efforts were made by donors and NGOs, which helped to increase voter awareness; for example, Australia helped the CNE and the STAE by training people to improve voter education. In addition, IFES, the NDI, among others, provided training to voters, political parties and other groups (Interviews 9, 19), and funding was substantially incurred by UNDP. However, a representative of the national NGO Lao Hamutuk criticised that international support in this context was only short-term and provided only superficial voter education, which primarily told people to go and vote rather than enabling them to make their own informed decisions (Interview 9). Yet, it needs to be taken into account that support through the CNE, just as the CNE’s own activities were restricted by establishing the commission so late in the process. In addition, widespread illiteracy provides a serious obstacle in Timor-Leste, and the development of a critical and enlightened democratic culture needs time to emerge.

Another achievement of the 2007 electoral process is the 3 per cent threshold that was introduced for the parliamentary elections. In 2001 the high number of parties had been perceived as being very problematic, tying up limited human resources and undermining cohesion (Interview 17; Shoemith, 2011). The threshold helped to reduce the number of parties to four and was well accepted: not only in the run-up to the elections but even later, when parties were prevented from entering parliament due to the threshold but did not

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25 The internally displaced persons (IDP) posed a particular challenge, as they had to return to their communities to vote or change their addresses in the register, which created fears that, by doing so, they would relinquish claims on their property (Interview 35).

challenge it (Interviews 17, 33). As UN support for legislation was very strong, it might also have had a positive influence in this specific case, but no information on this is available. Then again, the fact that the laws were “practically written by the UN” was criticised by a UNDP evaluation as well as an STAE representative, because the programme did not enable Timorese officials to understand and draft the laws themselves (UNDP [United Nations Development Programme], 2012).

Weakening the process, the national electoral institutions were still developing and lacked the capacity to live up to their mandate. The electoral commission was new and not yet a very strong institution. Commissioners lacked skills and experience but were able to solve technical problems presented to them and their performance improved (Interviews 11, 19; see also: ICG, 2007; Leach, 2009). Conflicts of interest between the STAE and the CNE occurred, and the latter was unable to fulfil its supervisory function (Interview 29). Questions regarding impartiality arose about the electoral institutions. On the one hand, they were perceived as being independent of the government, if only because the Fretilin government at the time was too weak to control the institutions. Yet, according to a former EU representative involved at the time, a CNE member publicly declared the names of favoured candidates (Interview 42). Moreover, the head of the STAE was appointed Secretary of State of decentralisation by the CNRT shortly after the elections, which raised further doubts, considering his impartiality in hindsight (Interviews 9, 19, 29). The UN mission and UNDP supported both electoral institutions. Apparently, the UN bodies were not very well coordinated, despite such efforts, causing difficulties and confusion for the STAE (UNDP, 2012; UNSC [United Nations Security Council], 2007). Yet, one interviewee involved at the time claimed that international support worked relatively well and that the UN’s training for the STAE was very important for the electoral process (Interview 9).

Another important factor for the success of the elections is that the results were widely accepted by both the population and the political parties, despite the uncertain circumstances (Interviews 6, 9). This is due, on the one hand, to the perception of a relatively well-organised process, but also because the results were recognised as being representative of voters’ wishes (Feijó, 2009). Since the UN at the time was charged with organising the elections, much credit needs to be given for their support in this context. A high number of electoral observers followed the electoral cycle in addition to UN personnel: a total of 500 international and more than 2,000 national observers (Selsey & Delany, 2007). Both national and international representatives agree that election monitoring made an important contribution at the time, in particular since the impartiality of the electoral institutions was severely limited (Interviews 9, 19, 29). Some allegations of fraud were raised nonetheless: Fretilin accused the national electoral bodies of manipulation but was unable to present evidence (Interviews 9, 11, 23).

### 3.1.2 Security situation

The elections in 2007 were held in a very tense environment and ongoing instability<sup>26</sup> (Arnold, 2009), yet events remained generally peaceful (Interviews 16, 17, 19). This already constitutes a remarkable achievement, given the serious risk of escalation (Interviews 16,

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<sup>26</sup> The “strongest threat to security”, Reinado, was still in the hills at that time, yet it did not disrupt the elections.

19; Feijó, 2009). According to one interviewee, the international support given to advance a national dialogue, which involved the elaboration of a Code of Conduct signed by all parties, paved the way for peaceful elections (Interview 42). However, the levels of violence differed between both elections, reflecting the relative importance of the polls. Although the presidential elections were largely peaceful, given the circumstances, the parliamentary elections “registered a comparatively high incidence of violence” (Interview 6; TLAVA [Timor-Leste Armed Violence Assessment], 2009a). Most incidents occurred during the campaign period, which, in Timor-Leste, involved large election rallies that contained a high risk of escalation (Interviews 11, 12; LeBrun & Muggah, 2010). Election day itself was surprisingly peaceful, with clashes resurfacing upon publication of the results and during the formation of the government (discussed in more detail in Section 3.1.3) (Shoesmith, 2013). Particularly challenging for the security situation was the fact that the police had practically disintegrated, lacked the skills to guarantee security and had lost the trust of the population (Interviews 16, 29). Therefore, numerous interview partners judged the presence of UNPOL (and ISF<sup>27</sup>) at the time to have made an important and critical contribution to stability by securing voting centres, accompanying PNTL officers and, hence, managing to minimise the risk of escalation (see e.g. Interviews 6, 9, 11, 15). In addition, international observers supervising the process contributed to the stability as well (Interviews 19, 29). The PNTL and UNPOL developed coordinated security plans for high-risk areas, although a journalist criticises that they did not actually deploy forces to these areas (Interview 23; TLAVA, 2009b). UNMIT also facilitated a national party accord, through which all registered parties committed to condemn all forms of violence (in addition to a signed Code of Conduct regarding behaviour during the electoral campaign) (UNSC, 2007). Moreover, UNMIT assisted with specific district-level accords and dialogues where security issues had arisen. However, there is no evidence on what impact these measures had.

### 3.1.3 Government formation

The phase of government formation proved the most delicate part of the 2007 electoral process, with a relatively high level of violence and the highest risk of outright escalation of the situation (Interviews 6, 33, 42). Having won the largest share of votes, Fretilin was convinced that the constitution granted the party the right to form the government. The president, at first, encouraged the formation of a “grand inclusion government” (Leach, 2009), which, however, could not be achieved. After a month of turbulence and heated discussions, he passed Fretilin over and asked a newly created coalition of smaller parties to form the government.<sup>28</sup>

The ambiguity of the constitution on how to deal with the election results was a major weakness of the process, introducing a high-risk potential. In this context, it must be considered a significant achievement that the situation could nevertheless be resolved, thereby avoiding a descent into large-scale violence or a major disruption of the democratic process. The risk was high that Fretilin followers would launch large-scale protests because

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27 Although it was not unproblematic; Australia in particular was associated with one group, and thus was not perceived as being neutral (Interview 6).

28 The fact that this coalition was only formed after the elections constitutes a major point of contention for Fretilin, as the electoral law requires coalitions to be presented beforehand. Nevertheless, Fretilin similarly engaged in efforts to find coalition partners at this stage.

they felt deprived of their right as the elections winner to form the government – especially since it was widely felt that the 2006 crisis was a coup instigated to oust the Fretilin prime minister. There was a further risk regarding the military. One interviewee claimed: “If at the time, the military wanted to do a military coup, they could have done that.” However, the head of the military, Taur Matan Ruak, knew that this would lead to international condemnation, so they did not do this (Interview 16).

Although not risk-free, the president’s decision to allow the newly founded coalition to form the government might have prevented prolonged political paralysis (Interviews 9, 22, 23). Chances were high that Fretilin would not have found coalition partners to form the government – the repeated failure to appoint the president of the parliament was a strong indicator that Fretilin was unable to secure a majority (Interviews 11, 33). In the precarious and tense situation of that time, with large parts of the population displaced, a stalled process of government formation might have further destabilised the situation.

Despite the strong vocal condemnation and activism by the Fretilin leadership, they did not turn their indignation into an actual boycott of parliament, as threatened, nor did they rally for a large “peace march”, as had been previously announced. This is a significant achievement, as most interviewees agreed that, had they carried through on their threats, it would have had severe consequences for the country’s stability. Mostly, they attributed this to the leaders’ capability to appease their followers (see e.g. Interviews 6, 13, 16, 17), although they were not able – or willing – to prevent destruction and violence altogether (Interviews 19, 23, 25). Asked what made Fretilin restrain themselves, most interviewees stated the maturity of the leaders, who, having fought for independence, would not allow a major destabilisation and disruption of the democratic process (see e.g. Interviews 3, 11, 22, 23). However, political calculations might also have played a role, as Fretilin’s standing would have seriously suffered had they actually done as announced, in particular as they were not in a position to compete against the popular heavyweight, Gusmão (see e.g. Interviews 9, 24, 37). The sequence of the elections (initially hotly contested) is regarded as having had a positive impact as well, serving as a warning to Fretilin that they could probably not expect to retain their strong position in the parliament (Feijó, 2009; Interview 6). Although Fretilin did not recognise the government officially during the entire legislative period (Interviews 9, 22, 17, 37), this primarily constituted a political statement. In practice, they adapted to the situation and transformed themselves into a constructive opposition (Interviews 17, 19, 23; Woischnik & Müller, 2012).

Apparently, international partners active in Timor-Leste attempted to calm the situation down, yet, based on the information available, it is not possible to determine how significant their efforts were in influencing the attitude of Fretilin members. Apparently, the UN – mostly through the Special Representative of the Secretary-General (SRSG) – played a very positive role at the time by trying to mediate and bridge the gap between the two sides of the political rift as well as convince Fretilin to join the parliament. Interviewees considered these efforts to have aided the peace (Interviews 9, 15, 29). Regular meetings of UNMIT with all party leaders throughout the entire electoral process might have had a favourable influence on this as well (UNSC, 2007).

Influence was also exerted by the international approbation<sup>29</sup> of the president’s decision, which strengthened his position (Interview 42). Next to some individual donors favouring this decision, the “Club of Madrid”,<sup>30</sup> which had accompanied the electoral cycle through dialogue facilitation, published an open letter to the Timorese, emphasising that both options given by the constitution are equally valid, without order of precedence.

<b>Table 1: International support to the 2007 elections</b>		
<b>Main elements of critical juncture</b>	<b>International support</b>	<b>Weaknesses</b>
<b>Organisation of elections</b>		
<ul style="list-style-type: none"> <li>- Very high voter turnout</li> <li>- Generally free and fair</li> <li>- 3% threshold reduced number of parties</li> <li>- Results accepted</li> </ul>	<ul style="list-style-type: none"> <li>- Voter education</li> <li>- Strong technical, financial and logistical support from and through UN</li> <li>- Election observers</li> </ul>	<ul style="list-style-type: none"> <li>- Limited knowledge within population</li> <li>- Electoral bodies still weak, independence limited</li> <li>- Late adoption of electoral laws</li> </ul>
<b>Security situation</b>		
<ul style="list-style-type: none"> <li>- Despite crisis, no major escalation</li> <li>- Presidential elections peaceful</li> </ul>	<ul style="list-style-type: none"> <li>- ISF</li> <li>- UNMIT</li> <li>- UNPOL</li> <li>- Code of conduct/accord</li> <li>- Election observers</li> </ul>	<ul style="list-style-type: none"> <li>- Tense environment, instability</li> <li>- Parliamentary election campaigns violent</li> </ul>
<b>Government formation</b>		
<ul style="list-style-type: none"> <li>- “Peace march” not implemented</li> <li>- Fretilin joined the parliament as constructive and strong opposition</li> <li>- Sequence of elections helped to prepare Fretilin</li> <li>- Change of government</li> </ul>	<ul style="list-style-type: none"> <li>- SRS dialogues with all political leaders</li> <li>- Donor community openly supporting president’s decision</li> </ul>	<ul style="list-style-type: none"> <li>- Fretilin threatening to boycott parliament</li> <li>- Fretilin negated legitimacy of government</li> <li>- Government formation met by unrest, violent clashes, death and destruction</li> </ul>
Source: Author		

The international community strongly contributed to rendering the 2007 elections a success by providing substantial support to the preparation and organisation of the elections. Support to the two electoral bodies contributed significantly to facilitating a well-organised electoral process, although the institutions, as well as the support, was not without criticism. A lack of coordination between the two supporting UN organisations reduced the effectiveness somewhat, and a very hands-on approach curtailed its sustainability. Voter education might have contributed to the remarkably high voter turnout, yet fell short of

29 Their role, being somewhat delicate, did not only make them appear as being neutral mediators – Alkatiri felt betrayed by the international community, especially Australia and America, as he claimed that he was overthrown in an illegal coup, Australia was alleged to have troops stationed ashore, and the ambassador and Ramos-Horta had a party the day Alkatiri resigned – a possibly coincidence, but still problematic (Interview 12).

30 Club de Madrid is an alliance of former democratic world leaders (presidents and prime ministers) dedicated to supporting democratisation around the world.

enabling informed choice in the ballot box. Moreover, security provision by the ISF and UNPOL is considered to have been critical, although it was not able to entirely prevent violence and destruction during the government formation. At this stage, it is not clear how important international activities have been in preventing an escalation, as compared to domestic leadership and political considerations.

### 3.2 Critical juncture 2: crisis of internal displacement

Another critical juncture for the young nations' development towards stability and democracy was the massive Internally Displaced Person (IDP) crisis. The 2006 violence, originating from the clash between security forces, spilled onto the streets of Dili. Between March and June, "up to 38 people were killed and at least 1,650 houses destroyed" (ICG, 2008a). As a result, an estimated 150,000 Timorese fled their homes, which meant close to 15 per cent of the population became displaced. As a consequence, "at one point, [the crisis] appeared to threaten the very existence of [Timor-Leste]" (Van der Auweraert, 2012, p. 43). It created a highly tense and insecure environment. In 2008, 100,000 people still remained displaced, almost one-third living in IDP camps in and around Dili. The extent of the displacement crisis made it critical – for the stability and social cohesion of Timor-Leste – to reconcile the population and return the displaced people to their homes, or, if that was not feasible, other permanent settlements. Even as the resettlement started, "there was still the sense that this could explode again" (Interview 5).

Conflict over landownership and property titles had helped to fuel the crisis, which was frequently used as cover to retaliate and settle old scores (Lothe, 2010, p. 438). One key difficulty in resolving the crisis was that numerous people were living in houses that they did not own. Moreover, people who were not originally from Dili were still perceived as outsiders (Interview 21). The National Recovery Strategy (NRS) "was a remarkably efficient and effective way of ending a displacement crisis in, what so far at least appears to be, a durable manner" (Van der Auweraert, 2012, p. 43). In its strategy, the government took advantage of its resource revenues to resettle the IDPs. In December 2010, the last camp was closed, which, in international comparison, is a remarkably short time for such a task (Interviews 5, 40). The speed of the process contained a high level of risk but eventually proved effective, and no conflict has re-emerged (Interview 5). Overcoming the crisis was critical to normalise political life in Dili, which is highlighted by the slogan "goodbye conflict, welcome development" that the government propagated after the IDP crisis had been resolved.

International support, in particular by various UN organisations and INGOs, proved crucial. Yet, the key actor in addressing the internal displacement was clearly the Ministry of Social Solidarity (MSS), which was in charge of the process. International engagement was important because the government lacked the capacity – technical skills and human resources – to deal with the situation on its own, as both international and Timorese representatives concede (Interviews 5, 12, 18, 36, 40). International financing was also important (Interview 36), but the ability of the government to draw on the petroleum fund left them stronger on this account. In particular, the International Organization for Migration (IOM) and UNDP (funded through, among other mechanisms, the peace-building fund and by the Australian government) played a key role, as all interviewees agreed. They worked closely with and supported the MSS. As one former UNDP advisor stated: "The whole

process wouldn't have happened or have been a success without the support of IOM" (Interview 12). The IOM support covered a whole range of activities – partly in close cooperation with the MSS: registration of IDPs; supporting and coordinating the camp provisioning; damage assessment of houses; and provision of technical advice to the MSS to develop the NRS (Van der Auweraert, 2012; Interviews 38, 43). International NGOs were also very active, in particular in the provision of the IDP camps, whereas bilateral donors remained in the background, channelling their funds through the multilateral institutions and INGOs.

The following sub-section analyses the key elements that characterised the handling of the IDP crisis, namely government leadership, the immediate response to the crisis, the strategy to resolve it, corruption and mismanagement, as well as the approach towards underlying issues. For each topic, the paper discusses internal dynamics and relevant aspects before turning towards how donor engagement impacted the process.

### 3.2.1 Government leadership

One factor is mentioned by all interviewees as the key to the successful resolution of the IDP crisis – government leadership. "I think it was the government leadership that really catalysed the process, made everything move fast" (Interview 5). Resolving the crisis was the priority of the new government formed under Gusmão, which promised to find a quick solution and had based its political capital on resolving the crisis quickly. "It was driven strongly by political imperative, and [Gusmão] pushed his government hard to move quickly and make progress" (Interview 5). Personalities also played an important role. Gusmão, being a very charismatic and popular figure, helped to bridge societal divides and resolve the situation (Interviews 5, 37, 38).

In Timor, no one would be able to solve it without using force, and Xanana Gusmão did it. He is a kind of personality, he is a legend, he was considered the father of independence. He can touch the heart of the people. This makes it easier to solve the problem. He was also the only person that could bring the Eastern and Western army people together. (Interview 37)

The second personality who played an important role was the minister of the MSS at that time, Maria Domingas Alvarez, commonly called "Mikato". Also a member of the resistance movement, she had worked in the IDP camps since the crisis had begun and had a very good standing with the IDPs (Interviews 12, 36).

This strong commitment by the government achieved the seemingly impossible: dismantling the IDP camps in record time, which most internationals had considered utterly unfeasible, based on experiences in other countries. The process went so fast that, on the one hand, the international community had to struggle to catch up, but on the other hand, it was also afraid of the risk of reigniting the conflict due to the swiftness of the process (Interview 5). However, the conflict fatigue of the people also contributed to a quick solution – once the security situation had stabilised and the framework conditions were put in place, the IDPs were highly motivated to return quickly (Interviews 31, 40). Unfortunately, the high degree of government commitment was only focused on the immediate resolution of the crisis, whereas the willingness to address the underlying issues

– land and property, division within the security forces, among others – was much less pronounced (Interviews 3, 5; Lothe, 2010).

The international community strongly rallied behind the MSS strategy and supported the government taking a strong lead in resolving the 2006 crisis. As a former advisor to MSS stated: “There was a substantial contribution on the outskirts of what was a very [strong] government-led process” (Interviews 5, 31). The speed with which the ministry managed to dismantle the camps was previously regarded by their international partners to be impossible, and when the new government prioritised the process, “the international community was running to catch up”<sup>31</sup> (Interview 5). Nevertheless, since their support – in particular to the administrative side – was considered crucial, the government would not have been able to resolve the situation in a similar time and manner without them, as both international representatives and the Timorese emphasised (see e.g. Interviews 5, 12, 36, 40). Both Timorese and international representatives who had been involved at the time agreed that the government recognised the great need for international expertise and technical support, stating that: “[W]e want to work with the international community on this, we know that there is expertise, both inside as well as outside country” and, hence, the government “really embraced international backup at the time” (Interview 31). At the same time, the money used to return the IDPs was drawn entirely from the national petroleum fund, so that the international community “wasn’t [able] to dictate any terms” (Interview 10).

### 3.2.2 Crisis response

The management and provision of the IDP camps was carried out by the international community, in particular the IOM and INGOs. The IOM took the lead in coordinating the camp management, trying to ensure the consistent provision of humanitarian assistance (food, water, sanitation) across the camps (Interviews 5, 12). Health and safety, however, remained serious issues (Interview 21). Good coordination was imperative to master this humanitarian challenge and worked relatively well, according to those involved. Several coordination mechanisms were put in place at a high level as well as among implementers, with regular meetings taking place. In particular, the UN was in charge of the humanitarian coordination through the deputy SRSG, Finn Reske-Nielsen, who then also provided the link to the Timorese side (Interviews 10, 12). The coordination between camp providers – mainly INGOs – is considered to have worked reasonably well. Although time-consuming and not always efficient, coordination efforts achieved a good exchange of information and awareness of what others were doing, thereby preventing overlaps. Yet, some competition over funds and competencies occurred as well (Interviews 10, 12, 21, 40).

The provision of basic services, in particular free food, was criticised since, apart from the physical living conditions, many people in the camps were not worse off than those in other parts of the population not receiving such support. According to Van der Auweraert, it had three effects: 1) people moved to the camps to benefit from the supplies, 2) criminal gangs (“rice mafias”) emerged in some camps and 3) relations deteriorated between IDPs and neighbouring areas (Van der Auweraert, 2012, pp. 21-22). On the other hand, the food

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31 Interestingly, although at an early stage the international partners were highly concerned that such a quickly enforced process could provoke instability, at a later stage they reportedly put on a lot of pressure to close the camps (Interview 43).



rations were used by IDPs to negotiate with neighbouring communities, for example over access to water (Interview 40).

A basic precondition for the return of the IDPs was that the security situation needed to stabilise so people would feel safe enough to consider returning home. The violence that had created the IDP crisis prevailed for some time. There was insecurity and violence within the camps as well as attacks on the camps and individuals (Interviews 10, 12). The origins of this varied – from political reasons to causes related to youth groups or martial arts groups (MAGs).<sup>32</sup> The latter were perceived as being particularly problematic, yet dialogue and mediation efforts helped to improve the situation (Interviews 38, 43). Both national and international aid workers helping in the camps were threatened and attacked violently (see e.g. Interviews 12, 18, 36). Rumours about violence and the lack of (credible) information reinforced tensions (Interview 34).

Paradoxically, following the assassination attempt – and consequent death – of Reinado, the situation stabilised (see e.g. Interviews 12, 21, 33). Once people started returning home – and people saw that it was possible – the risk of renewed violence was significantly reduced (Interview 12). The security concerns of returnees were addressed through mediation efforts combined with, and closely coordinated with, the deployment of security forces. Security issues that were raised during the dialogues were communicated to the PNTL (at that time under the auspices of UNPOL), which accompanied the return process. Consequently, posts were established in critical areas (see e.g. Interviews 12, 31, 36). Those IDPs who nevertheless felt they could not return safely were accommodated in transitional shelters built by the Norwegian Refugee Council (Interview 12).

UNPOL's presence and contribution to the process was important, since trust in the police was particularly low after the clash between security forces and further undermined by forcing the eviction of those living in IDP camps. However, because the police were unarmed and were working closely with UNPOL, they started to regain the people's trust<sup>33</sup> (Interviews 18, 38). The international forces – UNMIT and ISF – also helped on a broader level to stabilise the security situation in Dili (see e.g. Interviews 5, 18, 21).

### 3.2.3 Comprehensive national strategy

The National Recovery Strategy of the Ministry of Social Solidarity was effective in dismantling the IDP camps in a remarkably short time. Yet, its main strength – its comprehensive character and scope, which went beyond the immediate crisis and tried to address the root causes – failed at the implementation level (Vieira, 2012). Only two of the five pillars envisaged in the strategy<sup>34</sup> were successfully implemented: the reconstruction of houses and dialogue programmes to mediate the return of IDPs. Both constituted major achievements that were key to resolving the crisis. However, the other pillars, which

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32 A programme of the German technical assistance specifically addressed the MAGs. However, it was not considered as having been very successful (Interviews 10, 13, 22), but more information about the programme is lacking (and evaluations have not been disclosed).

33 One high-ranking representative of the MSS at that time claimed that UNMIT and the ISF did not have any impact, but rather only the national police did (Interview 36).

34 Building trust, building houses, social security, security institutions, land and property.

included more long-term attempts to address the underlying causes of the crisis, were left largely unaddressed, and corruption weakened the process.

The NRS had been developed by a small team of international advisors from the IOM, consequently presented to – and discussed within – the MSS and in the Council of Ministers (Interviews 5, 12, 36, 43). The strategy was criticised by NGOs for neglecting human rights, but they were not able to come up with a better alternative (Interview 12). The implementation was done under

strong leadership of the Minister of Social Solidarity [...], and strong technical support given to the Ministry (and the Minister). The latter consisted of a team of international advisors and staff members of IOM and, for the dialogue teams, the UNDP. (Van der Auweraert, 2012, p. 35)

The strategy envisaged for the IDPs to rebuild their homes themselves through the provision of “recovery packages” (staggered payments from USD 500 up to USD 4,500, depending on the damage). This decision was not undisputed, but other options were soon discarded due to lacking administrative capacities (e.g. the government building the houses directly, or providing the materials<sup>35</sup>). In the end, it proved to be relatively effective. Despite some problems related to distributing (relatively) large amounts of money<sup>36</sup> to a huge number of people, most interviewees perceived these recovery packages to be an important factor (if not the main trigger) in resolving the IDP crisis (see e.g. Interviews 7, 17, 21, 36).

The amount of the recovery packages was decided through “a real negotiated process between the government and the international organizations supporting it [...] and the people living in the camps” (Van der Auweraert, 2012, p. 44). It was ultimately intended to (and needed to) supersede political interests – providing an offer the IDPs could not refuse, since the politicisation of the camps (closely associated with Fretilin) raised fears that political leaders would ask their followers to refuse the amount and remain in the camps (Interviews 10, 12).

There seems to be agreement that support from the IOM was the most important international contribution for resolving the crisis (Interviews 10, 12, 38, 43). Apart from providing technical advice to the MSS to develop the NRS, the IOM support covered the registration of IDPs as well as the supply and coordination of camp provisions. They were strongly involved in managing the administrative side of implementing the recovery packages, for example establishing a verification process and developing payment procedures (Interviews 5, 38, 43; Van der Auweraert, 2012). There was a genuine commitment to support the government without criticising its approach. Without this support, poor administration or bad management could have seriously endangered the process (Interview 5). The money for the recovery packages, however, was derived solely from the government budget (Interview 10).

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35 In an earlier attempt to dismantle the IDP camps, the responsible minister at the time, Arsenio Bano, provided housing materials in order to return people to the districts. The programme was highly ineffective, and people soon returned to the camps, which, however, was also due to the fact that the people supposed to “return” to the districts had actually been displaced within Dili (Interviews 40, 43).

36 The IOM initially suggested a two-tranche approach, with the second tranche only being disbursed after verification that the money was actually spent on rebuilding the house. The government refrained from doing so because they considered it unworkable, overloading administrative capacities. The plan was changed by the government later, but in hindsight it was better this way, enabling people and allowing them to take their own decisions (Interviews 10, 43).

Although it was very successful overall, considerable corruption and fraud occurred during the process of distributing the recovery packages. A major problem was the lack of data on housing. Compared with the initial UNDP damage assessment, the eventual number of people receiving the recovery package had doubled. People's names appeared several times on the lists, IDs were faked and multiple claims were presented by different family members (Interviews 36, 40, 43). Applicants circumvented even the picture verification by taking pictures from identical spots and/or random places where a house had never stood (Interviews 10, 36, 40).

The government (and the international agencies involved) made some efforts to prevent fraud. However, government capacities to do so effectively were limited, and at the same time, political pressure was strong to advance the process (see e.g. Interviews 5, 12, 17, 40). International advisors tried to uphold procedures and standards when they realised that massive corruption was taking place. Yet, this was a very difficult and highly political endeavour.<sup>37</sup> UNDP attempted to use satellite pictures to identify carefully which houses had been destroyed in this crisis. Although putting this into practice proved difficult and, hence, slow to actually implement. The government looked for a much faster solution, being primarily interested in returning the people home, and since the money was available, they did not let this issue slow them down much. Hence, efforts to prevent fraud were limited to stopping multiple claims by one person or family; other problems highlighted by international advisors were not taken up by the ministry (Interviews 10, 12).

Even if they had had the capacity to prevent this massive fraud, some observers claim it might even have been dangerous to be more rigorous – as things stood, implementers were already being attacked, receiving death threats and needed to be evacuated from the ministry several times (Interviews 10, 12, 36, 43). Yet, another advisor critically remarked:

If too much money had gone to the wrong hands, [the process] could have been undermined, and not been seen as a recovery strategy, much more a “let's pay our friends off”; and [to what extent] the international community managed to be a safeguard from that is difficult to measure and I am not entirely convinced. (Interview 5)

Fortunately, the level of corruption did not reach the point that it was able to undermine the entire process. In general, the injustices were accepted by the people, which is also attributed to the leadership of Gusmão (Interviews 5, 12, 26). Considering the very tense environment at that time, the programme was a success overall – which might have entailed accepting fraud to a certain degree.

The fact that no incidents of robbery were reported, despite people openly taking all the money out of their bank accounts as soon as it arrived (Interviews 10, 12), might be indicative that the money was spent generously and broadly enough to prevent strong jealousies. Yet, the government policy of returning IDPs through a large-scale spending strategy did create unwelcome legacies. Since then, if the government wants people to do something, they expect money for it. Corruption and fraud occurring during the process

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37 There were inconsistent reports regarding a sophisticated damage assessment done by UNDP based on satellite pictures, which might have helped to make the process more transparent and just, but it was never used. Some confusion prevails around this. According to one source, the data existed but was not used; another source stated that despite many efforts, the information never arrived during the relevant stage; whereas a third source simply claimed that it was too complicated and the failure was due to a lack of a household registry (Interviews 5, 7, 10, 12).

might also have contributed to the spread of corruption in general, which constitutes a major challenge in Timor-Leste today. However, other large-scale payments or huge infrastructure projects that were prone to corruption most probably had a larger effect on the corruption level. The recovery packages constituted comparatively small, onetime payments that were spread out widely across the population (Interviews 12, 24).

Next to the recovery packages, the second NRS pillar that was instrumental in facilitating the return of the IDPs were extensive “community dialogue programmes”. These were required because the respective communities often refused to accept the IDPs back (Interviews 12, 31, 36, 40). Building upon earlier dialogue initiatives, which had been rather ad hoc and impromptu, extensive dialogue programmes were integrated into the NRS and then coordinated and facilitated by the ministry (Interviews 10, 31).

The dialogue programmes mediated between the IDPs and relevant stakeholders: elders, the church and community leaders, but also MAGs (Interviews 31, 38). These efforts helped to facilitate social reconciliation by allowing participants to voice their grievances and also to identify concrete issues to be addressed, such as security or facilities needed, water, etc. In this regard, close coordination between different ministries and agencies was established to address issues raised. A programme was set up to build small-scale infrastructure in groups jointly composed of community members and returnees in order to address scarcity, contain jealousies and promote integration at the same time (Interviews 21, 31, 36). In some instances, the dialogue included negotiations on the conditions of return of the IDPs – here it was considered a strong conducive factor that the IDPs had a substantial amount of money at their disposal, thanks to the recovery packages. Although this is considered a questionable side effect from a human rights or justice perspective, such deals constituted “part and parcel of the process” (Interviews 43, 10).

High-level government representatives personally witnessed particularly sensitive and difficult cases. This not only demonstrates once again the high commitment by the Timorese leadership, but it was also symbolically very important. Dialogue and ceremonies are deeply engrained in the Timorese culture, and thus, constituted an important element in resolving the crisis. Moreover, it signalled that the government took on responsibility and worked on a solution – which was particularly significant, since many people considered the national leaders to be responsible for the crisis<sup>38</sup> (Interviews 10, 31, 43).

The dialogue programme received strong support from UNDP. The UN agencies provided financing and training to dialogue teams that were embedded in the ministry and worked closely with ministry staff (Interviews 10, 12, 26, 31, 36). Next to the work of the IOM, UNDP support is highlighted as having been crucial to resolve the crisis. Timorese bureaucrats lacked experience in such an endeavour, and therefore, UNDP support was highly valued; a lack of government capacity is indeed cited as one reason for the failure of similar dialogue efforts under the previous government (Interviews 31, 40). Concerned with the high risks entailed in the return process, “the international community put in a substantial investment in peace-building programmes in communities of high risk, but there was still the sense that this could explode again” (Interview 5). UNDP, in cooperation with the

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38 People often denied responsibility for their actions during the crisis while acknowledging other actions of theirs. However, they made the leaders and their inability to reconcile among themselves the responsible element.

International Labour Organization and the Secretary of State for Professional Employment, implemented the projects that would bring community members and returning IDPs together to (re)construct basic infrastructure (partly financed by the government, UNMIT and instruments of stability of the European Union). However, the assessment of this approach varied strongly, from “very successful” to “never got off the ground” (Interviews 5, 7).

### 3.2.4 Dealing with the root causes

Failure to address the underlying issues or proximate causes of the crisis constitutes a major weakness of the process (Lothe, 2010). This refers, in particular, to disputed land ownership, which is a major problem in Timor-Leste. It originates from a historical mix of overlapping land certificates issued under Portuguese and Indonesian rule combined with flight and migration movements. The issue has still not been addressed, and almost 10 years later an urgently needed new land law has still not been adopted (Interviews 13, 21, 32).

The NRS attempted to address the broader issues (Van der Auweraert, 2012). However, the political will and leadership that was so strong in dissolving the immediate crisis was much less pronounced with regard to tackling these problems. The priority was to accomplish the return of the IDPs; all other issues could be addressed later (Interviews 12, 43). The remaining pillars of the NRS did address them, but inevitably touched upon sensitive elite interests, and were thus much harder to implement (Interviews 10, 12, 31, 43). Inter-ministerial coordination, which would have been required for implementation, did not work (Interviews 5, 12, 40). As argued above, in the tense environment of that time, it is questionable as to whether a window of opportunity to address these issues really existed. The elite’s high stakes in land and property make it an extremely sensitive issue, and stronger efforts might well have had the opposite effect – preventing a solution of the immediate IDP crisis (Interviews 10, 43).

An IOM advisor at that time reported that the IOM working group involved in developing the five-pillar strategy had the firm intention that the process should not stop with the return of the IDPs, which, however, failed to a large extent with the implementation of the other pillars (Interview 43).

The priority of dismantling the IDP camps also took precedence over providing justice. Justice was not provided either for the police officers that were killed or for the many IDPs who experienced destruction and violence. Instead, the latter often even had to share the recovery packages with those who had taken advantage of their flight and occupied their homes (Interviews 4, 10, 43). Nevertheless, until now, the programme appears to be sustainable, in so far as no new displacement has occurred. However, many interviewees complained that the current stability is mainly being bought off through far-reaching government spending. Furthermore, while the government is using the money to buy time, at the same time it is not using this time to effectively address critical issues threatening social cohesion and stability (Interview 43).

<b>Table 2: International support to resolving the IDP crisis</b>		
<b>Strengths</b>	<b>International support</b>	<b>Weaknesses</b>
<b>Government leadership</b>		
- High priority of and leadership by government - Very fast process	International support of the strong government leadership	Focus only on short-term resolution of crisis
<b>Crisis response</b>		
- Provision of food and basic services in IDP camps - Situation stabilised	Provision and management by IOM and INGOs; IOM coordinated camp management	Violence and insecurity continued for some time at low level
<b>Comprehensive National Strategy</b>		
- Recovery packages distributed to IDPs - Community dialogue programmes - People left the camps voluntarily	Technical support for implementation  Dialogue and mediation strongly supported by UNDP  Administrative tasks strongly supported by IOM	Only partly implemented (immediate reconstruction and reintegration)  Corruption/fraud
<b>Root causes</b>		
- NRS covers underlying issues	International advisors tried to emphasise and uphold root causes	Lack of political leadership Underlying issues not addressed: - land ownership not solved - no accountability or provision of justice
Source: Author		

Overall, the analysis shows that the successful and fast resolution of the internal displacement crisis was strongly driven by the political commitment and leadership of the Timorese government. Yet, it also revealed that international support significantly contributed to this success, in particular the provisioning of the IDP camps, technical support for drafting and implementing the National Recovery Strategy, as well as support given to the dialogue teams facilitating the return process. In all of these, it was particularly important for a positive outcome that there be close cooperation and a cooperative way of interaction between the responsible Timorese actors and international supporters. The government had a clear picture of its goals and needs, and international support successfully filled the gap of lacking capacities and expertise. Yet, the international community was not able to correct for some of the weaknesses of the process – such as corruption and fraud, as well as the failure to address the underlying conflict issues more comprehensively – probably because the strong political will that drove the process did not extend to those aspects.

### 3.3 Critical juncture 3: Security Sector Reform

The third critical juncture analysed in this paper is Security Sector Reform. The crisis of 2006 revealed fundamental problems in the security forces, which triggered a descent into chaos. Not only were weaknesses in the security sector key reasons for the escalation of violence, but at the same time the crisis resulted in a complete breakdown of the security sector: “[A]pproximately 40 per cent of the army had deserted or been dismissed, and the key elements of the police had collapsed” (Lothe, 2010, p. 433). The government was unable to deal with the situation on its own and requested an international peacekeeping force to stabilise the situation.

Since then, there have been efforts to address the problems and reform the security services. However, analysts agree that no fundamental reform has taken place and that key problems that had caused the 2006 crisis still persisted in 2014<sup>39</sup> (Interviews 12, 24). A 2013 report of the International Crisis Group states: “The 2006 observation that the greatest security threat comes from the police and the army themselves still applies” (ICG, 2013, p. 18). Similarly, Wilson judges that the “PNTL is essentially unreconstructed since the 2006 crisis and the Security Sector Reform agenda has not meaningfully progressed. There is a reasonable likelihood that the security forces will unravel again” (Wilson, 2012, p. 81). Clearly, a successful reform of the security institutions is critical to the future stabilisation and democratisation of Timor-Leste.

Security Sector Reform is a complex process that takes time. Hence, given the initial situation, one must acknowledge that a number of improvements have taken place in the last years. However, two windows of opportunity existed that were not sufficiently taken advantage of: 1) before 2006, when PNTL was newly established and 2) after the crisis demonstrated the destructive power inherent in the security forces, since at the time there was strong commitment by the political leadership to implement changes. Yet, many members of the FDTL and the police equate SSR with the fundamental restructuring of personnel and, therefore, resist reform<sup>40</sup> (Interview 16). As a consequence, despite achievements, the risk of instability within the security forces still cannot be discounted.

The international community has played a fundamental role in their support for developing and reforming the security sector in Timor-Leste. In particular, the UN has been a key actor in establishing the PNTL, although its contribution is often judged very critically. For a detailed discussion on the UN’s support to the security sector since Timorese independence, see, for example, Armstrong, Chura-Beaver and Kfir (2012) and Wilson (2013). Despite (or possibly because of) the UN’s highly intrusive engagement, their success remains questionable. The establishment of the PNTL was widely hailed as a success story until the crisis erupted in 2006, after which it was assailed as being a major failure (Wilson, 2012). The truth, as always, most likely lies somewhere in between: international support made some contributions towards establishing and professionalising the security sector, but a

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39 “The crisis was [due to] many reasons. One of them is the issue of [a] lack of commanding control and internal discontent among the security forces, and that hasn’t been resolved at all, as far as I can see, and most of the people that have been involved in the crisis, even if they have been convicted, have ended up being back in the security forces. So these basic trigger points are still there” (Interview 12).

40 One interviewee criticises the UN for not providing information on the concept but just “started talking SSR” (Interview 16).

number of mistakes and internal – as well as international – organisational challenges limited the effectiveness of the support. Interviewees judged that the UN helped to improve the police but could have achieved more (Interviews 13, 32).

The following section analyses the SSR process in more detail, identifying strengths and weaknesses with regard to key elements of the process, namely the performance of security forces, the relationship between the army and police as well as civilian oversight. After discussing the internal dynamics, international contributions to each of these elements is assessed.

### 3.3.1 Performance of the security forces

Most interviewees agreed that the performance of the police has improved.<sup>41</sup> This is since the end of 2008, back when it was not able to provide security and was not trusted by the population, and most significantly, improvement was felt after the UN handover in 2012 (Interviews 13, 20, 27, 34, 39). At least in parts, the PNTL has become more professional (Interviews 20, 21). According to security perception surveys conducted in 2010 and 2013, the Timorese perceived their security as having improved considerably. Yet, at the same time, more than half of the respondents were still very concerned about their security (Demographic Institute, 2010; Wassel, 2014).<sup>42</sup>

Improvements have been achieved, in particular, with regard to the command level, which performs better and has become well-developed and more confident. Moreover, strategic thinking improved and a new young leadership is emerging (Interviews 6, 13, 27). At the same time, interviewees cited managerial capacity and effective leadership as being weaknesses of the police (Interviews 8, 28, 42). One international representative observed that, in some cases, the upper level of the PNTL had been over-trained by international support efforts, “to the point that they are debilitated by it”, whereas the day-to-day officers were neglected, and the middle management “remains a bottleneck” (Interviews 27, 34).

Despite the improvements, the PNTL in 2014 was still being hampered by a number of persisting weaknesses that curtailed the rule of law (and posed a threat to stability) in Timor-Leste. Most interviewees stated the low *capacity* of the police as being a key issue (see e.g. Interviews 8, 25, 32, 39). Human resources are limited and the learning process is slow – at the end of 2010, there were around 5,000 outstanding investigations and the prosecutor general had started training civilian staff to produce usable evidence. However, this has improved massively over the last years (Interview 39).

International as well as national representatives have been highly critical of the international support provided to the SSR process in the aftermath of the crisis up until the UN left. There was a lot of assistance, with many different UN countries involved, each teaching their

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41 However, such assessments need to be treated with care. They are confirmed (if not based on) a recent perception survey in which 95 per cent of the population stated that the PNTL is performing well. Yet, this might be explained by a lack of understanding about what kind of service can be expected of a police force other than forceful paramilitary securitisation (Interview 39).

42 There is no evidence as to whether this can be directly attributed to the improved performance of the PNTL (other possible explanations are, for example, the government policy to “buy off” potentially destabilising elements).



preferred approaches and strategies, which caused contradictions and confusion and rendered the support highly ineffective (see e.g. Interviews 2, 8, 13, 20).

One interviewee described the UNDP efforts as merely managing a project instead of doing state-building – reinforced by reporting requirements of the EU, which was a major SSR donor through UNDP (Interview 8). There was no efficient coordination or national ownership, support was supply-driven instead of demand-driven (Interview 2). A bilateral representative commented critically, in 2010: “We couldn’t find any evidence at all, that anything that they’d been taught in the previous four or five years, had been sustainable” (Interview 39). This included support from bilateral donors as well as the UN. The immense amount of money spent on training “effectively [amounted to] a police welfare system”, but did not translate into practical skills at the workplace (Interviews 39, 27). Explanations for this might be a heavy reliance on theoretical classroom training by almost all donors, but also that the ultimate responsibility still rested with the UN, even though, for certain things, it had already been handed over to the PNTL (Interviews 27, 39).

Interviewees from national as well as international institutions agreed that the handover of responsibility from the UN to the PNTL was a necessary step for the police to improve its performance.<sup>43</sup> One international observer described the situation before the handover as follows: “We are trying to reconstitute a police force, and give them ownership without giving them any ownership” (Interview 20). Only afterwards did progress occur, for the PNTL needed to take up the responsibility themselves, even if they were not always best prepared for effective responses.

In relation to weak capacities, *responsiveness* remains an issue that limits the performance of the police. Personal relationships dominate and determine the response rate, to the point that people do not even consider calling the emergency line, as experience has taught them that the PNTL rarely reacts (Interviews 2, 22, 25, 32). Instead, people turn towards personal contacts within the police, call upon their community leaders or rely on private security actors (MAGs) to ensure their security (Interviews 2, 22, 25). One reason for this limited responsiveness is the lack of a budget and logistical support – there is no funding for patrols, few vehicles and no funding for repairs (Interviews 22, 39).

Australia attempted to tackle this problem and supported 24/7 mobile patrols, provided equipment and vehicles, and also supported the police in developing their own concept of community policing. However, according to one interviewee, the mobile patrols only worked for a few weeks, since apparently the expectations diverged with regard to who would be responsible for the maintenance of the vehicles, which appears to be a frequent problem in Timor-Leste (Interviews 2, 39). Donors also provided basic infrastructure – military and police headquarters, posts in districts and sub-districts, as well as a training centre and a police academy (Interviews 2, 34).

The outreach of the police force improved with a programme to station one police officer in each *suco* (village), starting in late 2013. Belun, an NGO monitoring the security sector, states that the police have become more professional, less militarised and closer to the

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43 Although the handover occurred gradually, interviewees depict the official handover as being a kind of turning point.

people. Belun, as well as others, highlight the community policing approach<sup>44</sup> as being a positive development; it reduced the use of violence<sup>45</sup> and increased the levels of trust (Interviews 13, 20, 23, 28). It has officially become the strategic approach for the Timorese police; in 2009 it was inscribed into the new law on the security sector (Interview 20).

International partners have supported community policing substantially, albeit with varying success. The UN provided support through UNDP and UNMIT (which had a special joint SSR unit) as well as UNPOL. Nevertheless, UN support is judged to have been inefficient and weak in its implementation. This regards community policing, whereby they primarily provided the theoretical concept, but also SSR in general, which, according to one interviewee, was only on paper, with “zero implementation” (Interviews 23, 20). Moreover, the diversity of nationalities involved led to diverging and sometimes contradictory messages, which – reinforced by a high turnover of personnel – highly limited the effectiveness of the UN’s support (Interviews 2, 20, 39).

At the same time, interviewees perceived the contributions and engagement from New Zealand, Australia and the Asia Foundation (funded by the United States Agency for International Development) for supporting community policing as being very positive and judged it to have really made an impact<sup>46</sup> (Interviews 21, 23, 34). They reported that their focus was clearly on the application and integration of training into daily routines (Interviews 20, 39).

A key challenge in the police is an inherent contradiction in the strategic orientation, which is closely linked to international support. The PNTL is often criticised for its militaristic style (Interviews 2, 27, 43), which leans heavily on the model of the Portuguese gendarmerie (Republican National Guard, GNR). It is a paramilitary police force and has served as a role model for the PNTL ever since its effective and very visible contribution to stability both after 1999 as well as the period after 2006. Despite the government’s official embrace of the community policing approach, recruit selection and training for both recruits and officers is provided by the Portuguese GNR, despite its paramilitary nature. The semi-military training they provide is viewed extremely critically by some Timorese and representatives of the other donors involved in the field.

The GNR subscribe to a sort of forceful, intimidatory style of policing that is totally inconsistent in our eyes with community policing. So, while community policing capacity and capability is built, you have this ongoing influence around a GNR policing model that is absolutely at odds and contradicts what it is we are seeking to achieve. (Interview 27)

The contradiction is also enshrined in law, which has a “community policing philosophy, but [is] structured in a military way” (Interview 14).

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44 See Armstrong for an argument as to why it is particularly important to engage the community in the Timorese context (Armstrong, Chura-Beaver, & Kfir, 2012, p. 31).

45 This is an important issue in Timorese society, where violence plays a big role in everyday life (Interviews 4, 34).

46 Jica is also involved in this context, yet to a lesser extent, and relies heavily on inviting police officers to see different models of community policing in Japan and Indonesia – notwithstanding the highly divergent contexts of a Japanese city and Dili – which greatly curtails the effectiveness of their support (Interviews 27, 39).

### 3.3.2 Relationship between the army and police

The relationship between the Timorese army (F-FDTL) and the police (PNTL) has historically been strained. The violent clashes between both forces during the crisis of 2006 brought tensions to a record high for a period (Sahin, 2011). The events still fuel fears that violence could escalate again. An international officer involved in SSR perceived the greatest risk factor in Timor-Leste in 2014 as being an incident in which a PNTL member shoots someone from the F-FDTL, followed by the army reacting<sup>47</sup> (Interview 41).

The tensions originate from the evolutionary history of both institutions (the F-FDTL emerged from the Armed Forces for the National Liberation of Timor-Leste (FALINTIL); the PNTL is perceived as being “made up of Indonesians” because of the high number of police officers who had already worked for the Indonesian police during the occupation).<sup>48</sup> Yet, another part of the police also stems from FALINTIL, creating an internal divide (Interviews 6, 33). This situation created a very tense relationship, with the army widely being perceived as an old institution with tradition and reputation, and the police being “the baby [that] has to listen to the old man” (Interviews 2, 33). It creates competition between both institutions and, at the same time, the police try to imitate the army by featuring a militaristic style (Interview 2). On the strategic level, an International Crisis Group report criticises that there is still little clarity on their respective roles. “This has not been a particular problem in recent years, but the potential for trouble is likely to grow as the UN peacekeepers have left behind an operationally weak police and an army looking for a purpose” (ICG, 2013).

The high number of former Indonesian police officers is a historical legacy of UN technocracy from the early state-building days: during the initial establishment of the PNTL, the UN mission at that time focused more on technical capacities than political sensitivities, which led to a large number of former police officers serving under Indonesian occupation to be integrated into the new police force. Building on previous experience, they generally obtained higher ranks, and complaints exist that they are still favoured for promotions. This has created tensions, which persist even at the highest levels today (Interviews 2, 8, 13, 23, 25).

The resulting tensions between the army and the police force persistently create frictions (Interviews 2, 32, 44). People show off their membership in the respective institution, causing trouble on the streets (Interview 8). Nevertheless, the situation has improved (Interviews 6, 13, 30, 41). This is attributed to the strong leadership, in particular by Gusmão, who is heading both the Ministry of Defence as well as security, which helped to stabilise the situation (Interviews 13, 30, 32, 40). Moreover, joint operations have helped to create trust and improve relations between both institutions<sup>49</sup> (Interviews 14, 32, 33, 41). Although competition between the two institutions persists, they are able to manage it better (Interviews 20, 25). Nevertheless, this kind of joint operation also contains a risk, because the division of responsibility remains blurred, and command structures have not been determined, despite several laws that were adopted in 2010 on this issue (Greener, 2012;

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47 Similarly, at the moment, clashes seem to be occurring only if police officers attempt to arrest a military official (Interview 14).

48 The role of the international community, especially the UN, in this particular process has been analysed elsewhere and is beyond the timeframe of the analysis of this project.

49 After the assassination attempt of 2008, the legal framework for joint operations was created.

ICG, 2013; Kocak, 2013). The UN opposed the law, as such joint operations contradict the philosophy of SSR, but it was not involved by the government and was “quite upset about it” (Interview 20). Since the UN has rapidly become associated with police reform, Lothe supposes that this focus might have curtailed their ability to support the broader security sector (Lothe, 2010, p. 437).

### 3.3.3 Civilian oversight

Further challenges also affecting the performance and capacity of the police force are a lack of accountability, partiality and the lack of democratic oversight.

As a consequence of a *lack of accountability*, human rights violations and domestic violence remain serious concerns within the police force (Interviews 20, 25, 32). The legacy of violence created by the fight for independence poses a problem within the PNTL, with officers often using force and behaving like “the cowboy in the city” (Interviews 4, 34). Moreover, if a PNTL member or a relative violates the law, people cannot get justice oftentimes. Segments of the PNTL are involved in illegal activities such as corruption and smuggling, and culprits are often not held accountable (Interviews 16, 20, 22, 25). After the 2006 crisis, the UN carried through with an intensive vetting process of the police. However, police officers who were not cleared were able to remain on the police force (ICG, 2008b). Reasons for this lie with Timorese government officials, who are not interested in the prosecution of PNTL members and inexperienced UNPOL officers, combined with a lack of political leverage on the side of the UN (Kocak, 2013; Lemay-Hébert, 2009; Wilson, 2012).

Another key weakness of the PNTL mentioned frequently is the *partiality* of the police force. There are several strong interest groups within the police that often command the loyalties before the police leadership. These different interests and competing loyalties hamper the functioning of the police (Interviews 2, 20, 22). The most relevant groups are the MAGs, veterans, the army but also political parties (Scambary, 2013). In particular, the MAGs are perceived as being highly problematic because they are often involved in crime (Interviews 2, 4, 34). The high levels of (youth) unemployment fuel the situation, as people are easily recruited and consequently protect each other (Interviews 4, 14). Veterans are another strong identity group. Their loyalties to former commanders remain strong and, in cases, supersede the respect for the rule of law. There have been efforts by the government to improve impartiality, in particular concerning the MAGs. Some of them have been banned completely, and both F-FDTL and PNTL members were obliged to leave such associations (Interview 34). However, existing legislation is perceived as being inadequate to abolish these vested interests within the security forces (Interview 2). This might be due to a lack of political will or the ability to move against powerful interests. The veterans exemplify this situation – many political leaders belong to such groups themselves, which successfully prevents any effective reform at the moment (Interviews 2, 22). Individual voices proclaim that the level of politicisation has been reduced (Interview 8), at least at the highest political levels, although it still plays a role and hampers effective policing at the lower levels (Interview 20). Next to government efforts, the training of international donors for community policing is perceived to have reduced the problem, to some extent (Interview 34).

Another challenge mentioned frequently is the lack of democratic or civilian oversight over the security institutions. At the moment, this is not a major concern, as both institutions are

held in check and obey the political leadership that emerged from the resistance. The president was a former commander himself, and the prime minister until 2015,<sup>50</sup> and was the key leader during the resistance; between the two they provided stability through direct control of the two ministries. However, the interviewees agreed that parliamentary oversight is not effective, and control is highly personalised and politicised, which poses questions about future leaders who do not have such political capital from the independence struggle (Interviews 14, 16, 20, 32, 41).

<b>Table 3: International support to the SSR</b>		
<b>Strengths</b>	<b>International support</b>	<b>Weaknesses</b>
<b>Performance of the security forces</b>		
Performance has improved:  - partly more professional - more responsive	Infrastructure – military and police headquarters, posts in districts and sub-districts, training centre and police academy  Establishing mobile patrols – short-term  Training on community policing	Still low performance: - lack of capacity, budget and logistics - responsiveness
<b>Relation between police and military</b>		
Tension between police and military reduced	Army does not receive much training from UN; primarily bilateral, mainly Portugal	- Still hampered by historically burdened composition - Blurred lines of responsibilities between army and police
<b>Civilian oversight</b>		
	Training Vetting ineffective	- Lack of impartiality - Highly personalised leadership - Lack of civilian oversight and accountability
Source: Author		

Substantial international engagement was geared towards tackling the fundamental challenges in the Timorese security sector. This has contributed to some important improvements, yet it has remained ineffective or even contributed to some weaknesses in other regards. Inefficient targeting and concentration of training for specific parts of the police, a lack of coordination as well as contradicting approaches reduced the effectiveness of international support. However, there have been improvements in the performance of the police, to which international support did make a contribution.

50 In February 2015, Rui Maria de Araújo succeeded Xanana Gusmão as prime minister. He is the first Timorese head of state without a personal history in the independence fight. This generational renewal is positive, from a democratic perspective, yet it remains to be seen if it will pose a problem for effective leadership over the security forces.

## 4 Appraising the hypotheses: explaining the effectiveness of external support

Academic literature postulates that both high levels of coordination as well as choosing cooperative over coercive forms of cooperation positively affect the effectiveness of international support given to advance peace and democracy. Indeed, in Timor-Leste, both of these explanatory factors significantly impacted the effectiveness of international support. Both hypotheses were largely confirmed: cooperative forms of support did prove to be more effective than coercive measures, in particular when met with strong government commitment. Yet, in areas where some political actors resist reform, this approach reveals its limitations. Good coordination of donor activities did indeed have a positive impact on their effectiveness; in particular, support in the security sector strongly demonstrates how a lack of coordination significantly reduces its effectiveness.

### 2.1 The impact of donor coordination

To recall, the hypothesis on donor coordination states that *high levels of coordination of democracy support and state-building are more conducive to the effectiveness of this support in fragile contexts*. Generally, the analysis of international engagement in Timor-Leste confirms this hypothesis.

Sources are divided about the level of coordination in the IDP crisis. The interviewees directly involved in resolving the IDP crisis judged coordination to have worked reasonably well in the face of such a challenging endeavour, although an evaluation is more critical about this. When funds were released, competition that was absent in the initial phase arose, and frictions and differences of opinion – in particular between the UN and civil society organisations – occurred. These regarded, for example, the approach to human rights in the process, as well as concerns warning against the distribution of cash through the recovery packages and the possibility for corruption. However, once the process started and proved to be successful, criticism quieted down (Interviews 7, 12, 43). Yet, an interviewee involved in similar processes in other countries judged that, despite difficulties, “[t]here was much more coherence in international and local response to the crisis than has been the case in many other situations I have worked” (Interview 43). Given the immense challenge of coordinating such a massive humanitarian response, coordination appeared to have been relatively good, also due to the strong role the UN played in facilitating coordination. Difficulties in coordination appear not to have affected the success of international support. The fact that bilateral donors did not get directly involved in resolving the IDP crisis and/or channelled their funds through multilateral agencies (such as the EU) guaranteed a certain level of coordination and reduced the number of actors involved. Moreover, cross-section cooperation between humanitarian, development and security actors enabled a comprehensive and effective return process. Overall, the immense task of coordinating such a large humanitarian response under such challenging circumstances seems to have worked reasonably well and contributed to rendering international support to this massive crisis successful.

Coordination of support for the 2007 elections was not perfect, but relatively good, also because most funds were channelled through the UNDP electoral support project. A lack of coordination in the support given to the two Timorese electoral institutions limited the effectiveness of this support somewhat.

In the security sector, weak coordination hampered the effectiveness of international support on several accounts. It created duplications, contradictions and overlaps. With the UN and individual donors each providing capacity support “just turns it into a mess and confuses everyone” (Interview 39). The fact that “coordination is not even close to excellent” hampers the ability of donors to target their support more effectively, as “there is always someone willing to pay for things”, as one international representative formulated (Interview 41). The “PNTL are spoiled for donor support [...] I am now aware of the extent to which the PNTL go donor shopping” (Interview 27). Only recently have the remaining bilateral donors become more demanding with regard to fruitful framework conditions for their support.<sup>51</sup> “The trouble we had in the past, every time we said that to them, they just went to someone else. They went to the Americans or the Japanese [...] They just go and get it from someone else” (Interview 39).

At the moment, there is “no overarching donor coordination for the security sector [...]. We kind of do it more on a bilateral basis” (Interview 20). One bilateral representative considered the lack of coordination to be a major obstacle to the positive impact of donor support. To really make an impact, a common, integrated programme would be needed under one governance structure to avoid competition and replications and to maximise value for money (Interview 27). Existing literature confirms that coordination was weak and, combined with competing agendas, reduced the influence of bilateral donors (Schroeder, Chappuis, & Kocak, 2013; Lothe & Peake, 2010, p. 437).

A variety of reasons contributed to the lack of coordination: lack of commitment, capacity, competition and national interests. “All the donors pledge that we will avoid replication or coordinate closely, but I don’t think there is sufficient genuine commitment to ensure that, as a fact” (Interview 27). Coordination “improved markedly since the UN left”, which reduced the number of people to coordinate, and competitiveness decreased as well: five years ago “everyone was trying to score points [...] people wanted to be part of the picture, putting money in, and that was just too much. [...] Although things have improved, I think there is still some competitiveness here” (Interview 39).

A key challenge in the police is an inherent contradiction in the strategic orientation, which is closely linked to the coordination of international support. The PNTL is often criticised for its militaristic style, which leans heavily on the model of the Portuguese GNR, which constitutes a role model since it was an effective and very visible contribution to stability, both after 1999 and 2006. The contradiction is by now also enshrined in the law, as it has a “community policing philosophy, but [is] structured in a military way”. Although the government officially opted for a community policing approach, which is supported by various donors, recruitment and officer training is provided by the Portuguese GNR, which is a paramilitary police force. They provide a “very militaristic style of training that is supposed to produce community-oriented officers, which just doesn’t work” (Interview 20). “It was meant to appease everybody who wanted a different type of police force. So everyone [is] still doing slightly different things and that’s kind of led to an identity crisis inside the PNTL” (Interview 20).

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51 Thus, for example, Australia does not provide training but offers support to Timorese trainers or finances vehicles and their maintenance only if they are part of a carpool available for patrols and not used by certain officers. Before, donor competition prevented a more comprehensive stance.

The other donors involved in supporting community policing in Timor-Leste have made efforts to limit this military influence, both through diplomatic efforts with the Timorese government and Portuguese support, as well as on the technical level. However, this was a very sensitive issue for a long time, as, until 2015, the prime minister headed both relevant ministries, and discussions with him would “be against protocol”. Portugal is the “emotional partner”, with close ties between the political elite and the former colonisers (Interview 39). The Secretary of State for Security had made it clear that it is inappropriate for bilateral partners “to be seeking to directly engage and modify arrangements between GNR – the Portuguese police – and PNTL. [...] The Secretary of State of Security is very supporting and protects and openly endorses the Portuguese style and approach to policing” (Interview 27).

New Zealand and Australia invested huge efforts through different means to reduce the military influence of GNR. Continued and concerted efforts apparently slowly bore fruits (Interviews 20, 27). A “common push” of diplomatic pressure behind the scenes helped to include community policing in the law (Interview 20). Moreover, efforts existed to make the commander of the PNTL training academy “see the current contradiction” (Interview 27).

From the Portuguese side, efforts to create a common strategic approach have been impaired by institutional interests and organisational structures. The Portuguese support to the police and military is independent of development cooperation and belongs in separate hierarchies, with no coordination or information-sharing between them. Moreover, it was not a strategic decision by Portugal that the GNR should be the reference or role model in such a context, but simply a historical evolution. The Timorese asked for GNR support, although Portugal also has a civil police force, which would fit better to the community policing approach. However, competition between the two Portuguese police forces and the institutional interest of the GNR to continue with their support have so far prevented a change in the status quo (Interview 26).

In conclusion, the analysis shows that both very good coordination, as well as very bad coordination, strongly impacted the effectiveness of international support. Minor weaknesses in coordination did limit the effectiveness to some extent, yet usually it did not significantly impact the overall process.

## 2.2 Coercive versus cooperative forms of support

According to the second hypothesis addressing the form of cooperation, *cooperative forms of support to promote democracy and stability are more conducive to the effectiveness of this support than coercive and conditioned forms of support*. This hypothesis seems to be generally confirmed by the findings from Timor-Leste.

The form of cooperation did have a significant influence on the effectiveness of international support in the security sector. The government perceived international – and in particular UN – support to SSR as being highly intrusive and imposing, which created tensions and reduced its effectiveness. Several Timorese as well as international representatives emphasised this as being a key problem in the security sector: “[T]he arrogance of the internationals and the Timorese. They don’t want to sit together. [...] Timor-Leste feels like the internationals impose their ideas on them [...] the internationals just come with the UN Security Council resolution number” (Interview 23). Before 2006 the UN was even seen as



a “third colonial power” (Interview 8), with an international intervention of a “directly coercive nature”<sup>52</sup> (Schroeder, 2014; Pushkina & Maier, 2012). After the 2006 crisis, the UN made the presence of their peacekeeping force conditional on being granted executive policing authority. The government opposed this at first but eventually had to accept it. However, it created serious tensions, and the government did not allow the UN into the upper levels of SSR. Growing confidence (and increased financial means) derived from petro dollars allowed the government to largely ignore the UN on matters of SSR. Thus, for example, a new legal framework for joint operations between the police and military was adopted without UN knowledge (Interview 20). Similarly, according to one interviewee, UNDP’s support focused too much on technical implementation, neglecting communication, diplomacy and protocol (e.g. junior staff members or even interns going to meet the Secretary of State), which caused the programme to stagnate for some time (Interview 8). Several interviewees stated that the UN needed to leave for progress to take place, not necessarily because the PNTL was well prepared to take over.

During the 2007 elections, international support was primarily provided in a rather cooperative manner, although the UN took over many tasks itself for reasons of effectiveness, which limited ownership and sustainability. No conditionalities were attached to electoral support (Interview 42). Much support was provided to, and through, the two newly established electoral institutions. Security was provided by the international security forces, which had been invited by the Timorese government. Also, during the critical stage of government formation, it appears that international efforts to solve the situation did not take a coercive turn, but engaged in bringing both sides together in dialogue. Although the elections were not without problems, there is no indication that a different approach would have prevented these imperfections, nor the violence that occurred, meaning that overall cooperative support contributed to the success of international engagement in this area.

International support to resolve the IDP crisis was provided in a very cooperative way. The Timorese government had a high level of ownership in the process and knew what it wanted, at the same time acknowledging a great need for international expertise and technical support. Both the Timorese and international representatives who had been involved at the time agreed that ownership of the process lay entirely with the Timorese government, and that the international community provided substantial support – according to the needs, and upon the request of the ministry – which was well received. As one Timorese stated,

from beginning, the [...] UN and other international agencies [...] they were here to support the national government. They don’t want to take a lead, they don’t want to take leap of the leadership, they really waited and then took initiative to encourage the national leadership to take the lead. (Interview 31)

One former advisor directly involved at that time described that international actors were “very much working in concert with the ministry and the government officials” (Interview 43). Contributing donors and agencies strongly supported government leadership, and the IOM was almost embedded in the ministry for the provision of technical support (although the relationship with the UN deteriorated between 2006 and 2008). In this way, international

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52 At the same time, UN support to attain independence was greatly appreciated in Timor-Leste.

organisations were strongly involved and able to influence government policy,<sup>53</sup> although the government was clearly in the driving seat. Strong doubts about the distribution of cash payments (and the speed of the process), however, did not have an impact, as the government provided the money for the recovery packages itself. In hindsight, this seems to have been successful. In this way, the international actors involved were able to make a significant contribution towards resolving the crisis. The cooperative approach was not able, however, to ensure the implementation of the more long-term aspects of the strategy aimed at addressing the root causes. In this regard, a more demanding approach of the international community might have strengthened the position of the minister vis-à-vis the other ministries, which were less inclined to address these issues for political reasons. Yet, the strong leadership of the ministry and the fact that large funds came from the government itself also limited the leverage of international representatives.

### 3 Conclusion

How can international actors effectively support fragile states on their paths towards stabilisation and democratisation? The research shows that, although such processes are primarily domestically driven, international actors can indeed make important contributions. Yet, analysing the role of donor coordination as well as the form of support – cooperative or coercive – indicates that the international actors involved could still improve their effectiveness by concentrating on these factors.

After the serious setback of the 2006 crisis, the international community provided substantial support to stabilising Timor-Leste and promoting democratisation. Indeed, Timor-Leste has made substantial achievements, strongly facilitated by international engagement. The chosen form of support and the level of coordination with other international actors help to explain why international actors were able to make a positive impact in some areas, but also why they failed to do so – or remained below their potential – in others.

High levels of coordination helped to render external support effective, whereas low levels significantly hampered its success, as diverging approaches in the security sector show. Cooperative forms of support have been more successful, as illustrated by the very successful international facilitation of the government-led resolution of the internal displacement crisis. More coercive measures in the Security Sector Reform process provoked resistance and reduced the effectiveness of international support. Yet, the analysis also shows the limits of cooperative forms of support when framework conditions are unfavourable.

In the midst of the crisis of internal displacement and the breakdown of the security forces, presidential and legislative elections were conducted successfully in 2007. Support to the two electoral bodies contributed significantly to the successful organisation of the electoral process, although the institutions, as well as the support, was not without criticism. Voter education provided through these institutions might have contributed to the remarkably high voter turnout, yet fell short of enabling an informed choice in the ballot box. In this instable

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53 For example, the introduction of the five pillars for a more comprehensive approach was the result of continuous, yet open, debate.

situation, security provision by the ISF and UNPOL is considered to have been critical, although it was not able to prevent violence and destruction during the problematic phase of government formation.

The crisis of internal displacement was resolved in such a short time that no-one would have thought it was possible. The strategic combination of cash payments for returnees and comprehensive dialogue programmes accompanying the return was very successful, and it was only feasible due to the strong Timorese leadership combined with substantial and very cooperative international support. Yet, implementation fell short of the initial ambition to also tackle underlying issues and fraud, and corruption could not be prevented.

Although coordination is not always easy, ties up resources one might wish to invest otherwise and often remains unsatisfactory, the Timorese case shows that it is worth the effort. Although coordination was not perfect during the IDP crisis, it worked reasonably well and, due to the strong leadership of the ministry and a strong coordinative function by the UN, it facilitated a relatively smooth process returning the IDPs with remarkable speed. In particular, the cross-sector coordination and collaboration was very useful in removing hurdles for the return of IDPs by promptly addressing grievances in the communities or security concerns.

Stability had improved so much that the UN mission, which had been invited after the 2006 crisis, withdrew at the end of 2012. On this occasion, the Timorese government proclaimed that it had left behind the history of conflict and would now focus on development. However, many challenges remain in the security sector that have been closely linked to the 2006 crisis, and these challenges remain a major factor for insecurity. The international community active in the country was able to support improvements with regard to the performance of the police to provide security to its citizens, yet the capacity to uphold the rule of law remains limited, in particular due to weaknesses with regard to responsiveness, impartiality and accountability. Key security challenges, namely the tensions between the police and army as well as limited civilian oversight and accountability, still have to be overcome. The substantial international support provided in this area might have been more effective, but it suffered from a lack of coordination as well as inefficient planning and targeting.

Duplications, overlaps and, most significantly, contradicting approaches of the various international partners involved reinforced the challenges of reforming the security sector, which is closely linked to instability and insecurity in the country. A lack of commitment and capacity, competition and national interests prevented a more coherent approach of the international actors involved. Most pronounced were the inconsistent strategic approaches in the support provided to the police, where Portugal's militaristic gendarmerie has left its imprint, which runs directly counter to the efforts by other donors to implement the official philosophy of community policing. Under such circumstances, a more demanding approach with regard to favourable – or at least not contradicting – framework conditions might be required to enhance the effectiveness of international support. At the same time, the Timorese experience with the very intrusive UN support and the resistance also demonstrates the limits of a more coercive approach, since it could once again be perceived as being undue interference. In this context, diplomatic efforts to achieve a concerted and more harmonised approach by all the donors might be more fruitful in avoiding further inefficiencies.

At the time of analysis, Timor-Leste represented a type of fragile state with a particularly weak state capacity. Yet, this is not to say that focusing solely on this dimension would be fruitful for addressing state fragility in Timor-Leste. The reason why problems in the authority dimension do not stand out as being the most prominent weakness might be because external support helped to stabilise and strengthen this dimension when massive international support facilitated the establishment of an independent Timor-Leste. As the analysis shows, challenges and frictions in the security sector remain and – when combined with weak state capacity, in particular – might reinforce the risk of instability.

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## **Annexes**

<b>Annex 1: List of interviews</b>			
	<b>Institution</b>	<b>Background</b>	<b>Date</b>
1	International	Bilateral agency	14-09-10
2	National	NGO	14-09-10
3	National	Politician	14-09-11
4	National	NGO	14-09-11
5	International	Multilateral agency	14-09-11
6	National	Academia	14-09-12
7	International	Multilateral agency	14-09-15
8	National	Government	14-09-15
9	National	Academia	14-09-16
10	International	Multilateral agency	14-09-16
11	National	Academia	14-09-17
12	International	INGO & multilateral agency	14-09-17
13	National	Government	14-09-17
14	International	Government	14-09-17
15	National	Multilateral agency	14-09-18
16	National	Academia	14-09-18
17	National	Public authority	14-09-19
18	National	NGO	14-09-19
19	National	Public authority	14-9-22
20	International	INGO	14-9-22
21	National	NGO	14-9-22
22	National	Bilateral agency	14-9-23
23	National	Journalist	14-9-23
24	National	Academia	14-9-23
25	National	NGO	14-9-23
26	International	Bilateral agency	14-9-23
27	International	Bilateral agency	14-9-24
28	International	Bilateral agency	14-9-24
29	International	Multilateral agency	14-9-24
30	International	Multilateral agency	14-9-25
31	National	Multilateral agency	14-9-25
32	International	Multilateral agency	14-9-25
33	National	Politician / Government	14-9-25
34	National & international	NGO	14-9-26
35	National	Public authority	14-9-26
36	National	Government	14-9-27
37	National	Politician	14-9-27
38	National	Multilateral agency	14-9-29
39	International	Bilateral agency	14-9-29
40	National	Government	14-9-29
41	International	Government	14-9-29
41	International	Multilateral agency	14-10-39
42	International	Multilateral agency	14-11-05

<b>Annex 2: Survey on critical junctures</b>			
<b>Potential critical junctures Timor-Leste 2006-2014</b>	<b>Q1: Which events do you consider a critical juncture?</b>	<b>Q2: Was there considerable donor involvement?</b>	<b>Q3: Which are the 3 most important critical junctures?</b>
2007: Presidential elections	4	3	3
2007: Parliamentary elections	6	4	2
2009: IDP crisis resolved	3	6	2
2009: <i>Suco</i> elections	0	2	0
2012: Presidential elections	4	2	2
2012: Parliamentary elections	3	3	0
To date: Failure of security sector reform efforts	3	6	3
To date: Failure to address the issue of land reform/conflict	4	6	3
To date: Failure to implement the recommendations of the Truth and Reconciliation Commission	1	5	1
To date: Failure to tackle impunity	3	3	0
To date: Failure to deal with youth gangs/violence	1	3	2

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