



Project Document

SECURITY SECTOR REVIEW IN TIMOR-LESTE

June 2008



United Nations Development Programme
Country: Timor-Leste
Project Document

Project Title	Security Sector Review in Timor-Leste
UNDAF Outcome(s)/Indicator(s):	Transitional justice mechanisms and security sector reform processes implemented to support peace-building and to prepare for longer term institutional development of the justice and security sector ¹
Expected Outcome(s)/Indicator (s):	Improved institutional and human resources capacity (system and skills) to provide access to justice, uphold the rule of law and protect human rights ²
Expected Output(s)/Annual Targets:	n/a ³
Executing Entity:	UNDP Timor-Leste
Implementing agencies:	United Nations Integrated Mission in Timor-Leste (UNMIT)

Narrative

This project proposal outlines the support of the United Nations to the comprehensive review of the security sector initiated by the Government of Timor-Leste. It will be governed by a Project Board chaired and driven by the representatives of the three tiered mechanism created by the State of Timor-Leste and implemented by its Coordination Committee assisted by UNMIT experts and UNDP consultants. It will do this by: Strengthening national institutions, through the employment of seconded Timorese civil servants or representatives nominated by the relevant ministries to ensure that the process is both nationally owned and nationally driven; Undertaking a detailed survey of public perceptions of security threats and of the security sector; Undertaking a capacity building function which will provide direct assistance to national authorities; Providing expert assistance on the issue of financial management in the security sector (such as Procurement and budgeting); and Providing support for the national authorities to conduct media outreach and consultation activities to support the review process and a socialisation strategy for security sector institutions.

In April and May 2006, long simmering grievances on the part of a group within the Defence Forces of Timor-Leste (F-FDTL), leading to the dismissal of approximately 40% of the army, gave rise to public demonstrations and eventually open conflict between factions of the F-FDTL, the National Police (PNTL) and armed civilians. By the time order was restored, the national leadership of the PNTL had for all intents and purposes collapsed, and other State institutions were in disarray. Fighting between the army and the police resulted in a massive displacement of people, 38 deaths, and large-scale damage and destruction of houses, commercial properties and infrastructure. As a result of this crisis the government fell and the international community was requested to provide assistance. Another consequence has been a sharp economic downturn hampering the efforts of the government to spur investment and reduce unemployment.

UNMIT has been mandated by the UN Security Council Resolutions 1704 (2006), 1745 (2007) and 1802 (2008) to assist the Government of the Democratic Republic of Timor-Leste (RDTL) in conducting a comprehensive review of the future role and needs of the security sector. This process already underway builds upon recent and current analytical and planning work. Additionally, the Millennium Declaration identifies conflict prevention as a key peace and security challenge. Decision 2001/1 on the role of UNDP in crisis and post crisis situations recognizes that '*crisis prevention and disaster mitigation are integral parts of sustainable human development strategies*'. This project document sets out the nature and modalities of UNMIT/UNDP assistance to RDTL as it conducts a comprehensive security sector review, which would ultimately define technical assistance and capacity development needs in the areas of security sector transformation, crisis management and recovery. It will also through out the period of the project work to build technical capacity within Timor-Leste to ensure the long term sustainability of the review process. Timor-Leste's President and Prime Minister endorsed the need for a comprehensive review process in a high-level ministerial seminar held in August 2007 and created, accordingly, the three tiered mechanism.

¹ UNDAF and CPD 2003-2005 were formulated prior to the 2006 crisis, and therefore did not include an outcome related to Crisis prevention and recovery or Security Sector Reform. Given the context in TL, they were extended without major changes till 2008. However, during target setting for 2007, the Country Office introduced the above under Practice area 2 "Fostering democratic governance".

² Same as above.

³ The 2007 annual target focuses on the justice sector. It does not account for the security sector.

Programme Period: n/a
Programme Component: Crisis Prevention & Recovery
Project Title: Security Sector Review in Timor-Leste
Project ID:
Project Duration: 1 year
Management Arrangement: DEX

Total Budget	USD 1,223,226
Allocated resources:	
• Government:	
• Regular (TRAC3)	USD 200,000
• Other:	
o Donor 1 (Norway)	USD 600,000
o Donor 2 (Australia)	USD 200,000
• In kind contributions:	
Unfunded budget:	USD 223,226

For the Democratic Republic of Timor-Leste:



H.E. Mr. Kay Rala Xanana Gusmão

Prime Minister and Minister of Defense and Security of the Democratic Republic of Timor-Leste

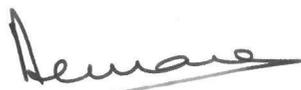
For the United Nations Development Programme:



H.E. Mr. Finn Reske-Nielsen

Deputy Special Representative of the Secretary-General for Governance Support, Development and Humanitarian Coordination
UN Resident and Humanitarian Coordinator
UNDP Resident Representative, Timor-Leste

Witnessed by:



H.E. Mr. Atul Khare

Special Representative of the Secretary-General for Timor-Leste



1. SITUATION ANALYSIS

Following the end of the Indonesian occupation of Timor-Leste in 1999 and the restoration of Timor-Leste's independence in 2002, the nation entered into the post-conflict stage. Post-conflict situations are well recognised to be periods when countries encounter significant challenges on the path to development. The security institutions of Timor-Leste were established by the UN during its previous missions but revealed their vulnerability when faced by the challenge of the events of 2006. The upheaval of April and May 2006 thrust Timor-Leste into a socio-political crisis with potentially catastrophic consequences for its future social and economic development. Long simmering grievances on the part of a group within the Defence Forces of Timor-Leste (F-FDTL), leading to the dismissal of approximately 40% of the army, gave rise to public demonstrations and eventually open conflict between factions of the F-FDTL, the National Police (PNTL) and armed civilians. By the time order was restored, the national leadership of the PNTL had for all intents and purposes collapsed, and other State institutions were in disarray. The Prime Minister and a number of ministers also resigned. Fighting between the army and the police resulted in 38 casualties. An estimated 145,000 people were displaced with many taking refuge in IDP camps in Dili and throughout the country (70,000 in Dili, more than half of Dili's population), while an estimated 3,200 houses and buildings were damaged or destroyed in Dili.

The Government sought international assistance to help restore law and order in the country and requested that the UN should re-establish a peacekeeping mission in Timor-Leste. This new mission, UNMIT, was established in August 2006 (SC Res.1704/06) as an integrated mission with a wide and far-reaching peacekeeping mandate.

The Government further requested the UN to establish an Independent Special Commission of Inquiry (CoI) under the auspices of the OHCHR with the mandate to determine the facts and circumstances pertaining to the outbreak of violence and to clarify the distribution of criminal responsibility for those events. The Prime-Minister established, on 3 May 2006, an *ad hoc* commission, the Commission of Notables to conduct an in depth enquiry on the grievances of the petitioners and to formulate recommendations for follow-up on the CoI findings. The Parliament approved a resolution declaring its confidence in the judicial system and its ability to implement the recommendations of the COI report.

The Security Council adopted new resolutions in February 2007 (Resolution 1745) and February 2008 (Resolution 1802) that extended the mandate of UNMIT until February 2009. Political tensions eased significantly in 2007. Peaceful Presidential and Parliamentary elections were held in accordance with the constitutional timeframes. The polls were held with significant voter turn out and international election observers declared the vote to have been free and fair. The new President was sworn in on the 20 May 2007 and a new government took office in August. The inclusion of a police component in the UNMIT mandate was central in maintaining stability during the electoral period and its logistical support to the elections contributed to their success.

On 11 February 2008 there were two armed attacks against the President and Prime Minister by a small armed group which left the President badly wounded. In direct response to these attacks a Joint Command integrating contingents of F-FDTL and PNTL was created to capture the perpetrators. The joint operation carried out by the two forces has been effective in bringing suspect to justice. The joint operation served to build of confidence between the

two institutions and has demonstrated that they both can work together and coordinate activities.

One of the central elements of the mandate given to UNMIT is to assist the national authorities in developing and strengthening institutional capacity including in the security sector. To this end, a Security Sector Support Unit (SSSU) has been established within UNMIT. Paragraph 4(e) of Resolution 1704 lays out its assigned tasks:

"To assist the Government of the Democratic Republic of Timor-Leste in conducting a comprehensive review of the future role and needs of the security sector, including the F-FDTL, the Ministry of Defence, the PNTL and the Ministry of Interior with a view to supporting the Government, through the provision of advisers and in cooperation and coordination with other partners, in strengthening institutional capacity-building, as appropriate."

Security Council Resolution 1802 (2008) reaffirmed the international community's support for the SRSB in addressing critical security related issues through '*...inclusive and collaborative processes, including the High Level Coordination Committee and the Trilateral Coordination Forums*'. The resolution restated the importance of the review and the role of UNMIT to assist the Government in undertaking this process. The resolution also welcomed the three tiered mechanism that national authorities established, in August 2007, to address issues related to the security sector review.

The Security Sector Reform and Development (SSRD) team thus established was tasked to lead the process; to ensure information sharing between different RDTL institutions and the establishment of consensual positions as well as to establish a communication interface with the United Nations and elaborate proposals for the reform and development of the Security Sector.

The team comprises of three layers:

1. **High Level Committee** responsible for setting and approving policy direction and proposals to be submitted to the Council of Ministers and the National Parliament regarding Defence and Security policy and legislation.
2. **Steering Committee** responsible for reviewing and discussing the proposals prepared by the working groups, establishing guidelines for the Coordination Committee.
3. **Coordination Committee responsible for** managing the day to day activities of the review. Ensuring liaison between the Steering Committee and working groups, organising the agenda of the Steering Committee's meetings and ensuring the sharing of information between the members of the SSRD Team.

The President and Prime Minister of Timor-Leste have endorsed the need for a comprehensive review process in a high-level ministerial seminar held in August 2007. Their political support is further reflected by the strong working relationships established between UNMIT/SSSU, the Coordination Committee and key partners in the national ministries of Defence and Security.

The project outlined in this proposal is designed to directly assist the national institutions in producing this review, having in mind the need for building national capacity regarding

security sector governance and analysis. Therefore, as well as assisting the review, this proposal is also intended to assist the development of national capacities.

2. STRATEGY

Conflict prevention is central to poverty reduction and sustainable development. Not only is the human cost of conflict devastating but its impact on the political, social and economic development of a country is profound. The benefits of development assistance are all too often reversed by the outbreak of violent conflict. The cost of engaging in conflict prevention and peace-building, therefore, will ultimately be far lower than the financial burden of reacting to the outbreak of violence. This is a perspective shared by both the current Government and by the UN and enshrined in both the Government's Programme and the Millennium Development Goals.

The overall goal of the project is to support the Government as it undertakes urgent reforms in the sector and develops a Security Sector Development Strategy that would become a road map for further reform and development of the sector. The Government has already taken a number of measures to refine and strengthen the legal framework delineating the roles and responsibilities of the different defence and security institutions. A National Security Policy framework is being prepared to guide the evolution of the sector in the short and medium term. Plans for the restructuring and/or development of the Defence and Security Forces are under preparation (PNTL) or initial implementation (F-FDTL).

This document identifies the method by which UNMIT and the UNDP will assist the national authorities in this on-going process. In keeping with the Government's decision to not limit its definition of the security sector to personnel in uniform, the project will follow an approach that goes beyond state institutions to encompass civil society, the private sector, non-state actors⁴, as well as potential relevant informal mechanisms laying the ground for better efficiency, transparency and accountability.

The review will identify the main characteristics of the security sector as well as the concerns and needs of the Government and of the Timorese citizens. It will draw from available analysis and take into account current realities, extant capacities and resources of the current security sector institutions. It will also analyse future needs in terms of capacity building and interventions.

The project team will be placed within the Coordination Committee and it will include a national Deputy Programme Manager and five seconded experts or representatives from each relevant ministry (Office of the Prime-Minister, Secretary of State for Defence, Secretary of State for Security, Ministry of Foreign Affairs and Ministry of Finance). These experts will act as focal points for their respective Departments and the relevant Ministers within the Coordination Committee. The selection of these experts will have to be based both on political confidence and technical expertise. This will ensure that the government can deploy dedicated staff as part of the review process and guarantee long term sustainability.

A capacity building facility has been included in the project and is designed to ensure that reform activities can be mobilised rapidly by the project to address reform needs as they

⁴ Private security guards or non-state actors in TL outnumber police and military combined, and are a far more visible presence in cities and towns. Yet, despite their prevalence, little is known about this part of the security sector.

appear. It also aims to ensure that the different Government Departments and the National Parliament are able to fully play their role in policy formulation and fiscalization through training and other capacity development activities.

The project team will be able to submit proposals to the Project Management Board to release funds from the capacity building facility. These proposals can fill a range of activities including training (whether in Timor-Leste or outside), short term expertise, fact finding trips, discrete research activities (whether by the Government, NGOs or academics) as well as the provision of non-military infrastructure. Examples of activities that this facility will not be able to support include direct military training or the purchase of weapons and military equipment. The project management board will make its decisions on the use of this facility based on the National priorities as expressed in the Programme of the Government endorsed by Parliament, and by the three tiered mechanism created to lead the Security Sector Reform and Development.

PROJECT METHODOLOGY

The project methodology is consistent with the principle that good governance and security are closely inter-linked and mutually dependent, and that they are both a pre-requisite for sustainable economic and human development. This principle has been identified by the Government in its Programme as underpinning the security sector reform process.

In order to assist the development of an integrated approach to the security review a methodology that has proved useful in a number of other review processes is suggested. This methodology will be adapted to fit the national context and articulated through a clear work plan that systematically takes into account initiatives and analysis that has already been undertaken to date.

Activities

1. A **functional analysis** of (a) governance institutions and (b) security institutions which are 'core actors' or direct providers of security (ex. Crisis and emergency management actors, police, border control, etc.) as well as the correctional service, private security companies and non-state actors.

These institutions will be evaluated based on principles already identified by the national authorities such as the need to elaborate proposals ensuring a wide consensus, and keeping in mind the need to (a) ensure the efficient coordination between Security Forces; (b) rationalize the available resources and promote providing a better service to the population; (c) ensure a good financial base for the sector and outline an investment programme for facilities and equipment; (d) establish shared services and facilities where relevant; (e) promote respect for the Law and Human Rights; (f) establish the principle of democratic control of the security sector, through good governance mechanisms especially oversight, responsibility and transparency; (g) cement the separation between the political and the operational level in security sector governance.

2. A **gap analysis** to identify institutional and regulatory gaps which have a direct bearing on the security sector (Ex. legal framework including the supplemental agreement and its implementation, integration, oversight, coordination, management and leadership) with a view to supporting the government of Timor-Leste to refine implementation strategies. Similarly, projects that will follow the review should naturally flow from the gap analysis.

This gap analysis will take into account the already identified national SSR priorities, including recommendations on training for both the F-FDTL and PNTL, and existing bilateral initiatives.

3. A **threat analysis** which identifies generic and specific threats to internal and external security in Timor-Leste (for example, economic security/unemployment, rule of law, lack of judicial recourse and political instability, epidemics/disasters, external aggression, etc...). This threat assessment will include recommendations regarding established national SSR priorities including maritime security and border management.

4. A **strategic environment review** to canvass public opinion and promote a dialogue on security issues (for example perceived and/or common threats and freedom of movement) is also planned. An outreach and socialisation strategy will be launched to develop a comprehensive picture of the challenges currently faced by security sector. It will distinguish between different social structures, including groups such as IDPs, veterans, minorities, women and youth. Results will be gender disaggregated to capture the unique set of gender issues that permeate in the Timorese society. This is particularly important given the relatively high incidence of gender-based violence reported in Timor-Leste. The project team will ensure that relevant civil society organisations and other interested stakeholders are consulted in the preparation and undertaking of these activities.

Outputs

1. Drafting a work plan based on already identified priorities which will identify the areas where recommendations will be made:
 - a. Integrated system of forces
 - b. Institutions, including PNTL, F-FDTL, Ministry for Defence and Security, Civil Protection and private security
 - c. Cooperation between institutions in order to ensure rationalization of resources
 - d. Maritime security and border management
 - e. Financial mechanisms
 - f. Oversight mechanism
2. Incorporating identified issues and concerns into Timor-Leste's National Security Policy Framework to counteract identified threats and respond to national security needs and expectations.
3. Elaborating sectorial proposals, namely for the restructuring of the security institutions, *including the F-FDTL, the Ministry of Defence, the PNTL and the Ministry of Interior* to be incorporated in the Security Sector Development Strategy; examples of issues where recommendations will be made include greater coordination, including the justice sector; enhanced and where possible shared or pooled resource management. Vital areas of civil-military coordination will be in the area of maritime security, integrated border management, intelligence analysis and in responding to complex emergencies such as natural disasters. Other key aspects which will need to be integrated into the National Security Policy include civilian control, internal and external control and discipline mechanisms in compliance with international standards.
4. A costing and feasibility study to ensure that recommendations for the development of the security sector are strategically coherent, appropriate to the needs of the sector,

affordable and in line with overall national development priorities. This is specifically designed to allow the Government to make decisions based on both the cost of a proposal and its context.

5. Long term financial mechanisms for the sector will be studied and presented to the relevant authorities.
6. A security sector development strategy will be completed by the SSRD Team taking into account existing strategies, and identifying future interventions to transform the security sector and address identified threats along with a partnership framework for supporting implementation. The development plan will incorporate the proposed structure of the security sector articulating the vision towards a comprehensive force system, civil protection and the regulatory framework for the private security companies.

These activities will not be linear and to a large extent will run parallel to one another and mutually influence one another.

This review methodology is part of the elaboration of policy development and will contribute towards an integrated approach to policy coordination and cooperation across all parts of the security sector. It is also important that the Government's efforts to ensure that national capacity in intelligence gathering and analysis are enhanced and coordinated be supported.

In addition to the national experts who will be recruited to be part of the Coordination Committee, and will be supported by international experts, it is also vital to recognise the importance of accompanying the review with an ongoing process of capacity building as gaps appear. Therefore this project proposal includes the possibility of rapidly responding to any capacity needs or gaps as they are identified. This mechanism can then be developed as the project continues ensuring that capacity building activities in the security sector can be started quickly, reducing lead up time and building public trust in the review/transition process.

This national capacity building facility will also allow the review to address current SSR needs in Timor-Leste. Potential examples of support could include training and capacity building of members of the security sector or those institutions overseeing them or alternatively supporting specific technical assistance to the Government. Activities could also in certain circumstances include the provision of some equipment (not weapons). All activities funded through the Capacity Building Facility will need be approved by the Project Board and will comply with national priorities.

Possible examples of activities that the Project Board may wish to approve include:

- Development of national capacity in security sector governance
 1. Supporting the creation or development of national security related think tanks.
This could include direct start up costs and/or the provision of research material or training for staff.
 2. Supporting study tours of countries with similar challenges in order to receive advice on the direction of security sector development activities.
 3. Facilitating the visit of international experts to give lectures on SSR related issues

4. Commissioning independent reports on issues related to security sector development
- Direct support to the government review process
 1. Training of civil servants or members of the security sector in issues directly related to supporting the review process (eg financial management, security policy etc)
 2. Provision of equipment necessary to undertake the review process (eg computers journals etc)
 3. Recruitment of short term consultants (whether from Timor-Leste or international)
 - Direct support to ongoing SSR capacity gaps identified during the review
 1. Support to the training of government security guards
 2. Provision of management training to mid-level civil servants

It is anticipated that the production of the report will involve the creation of participatory and consultative mechanisms such as working groups involving the Government, the Parliament, project staff and other stakeholders which will not only be locally owned but also locally driven. The exact format of these working groups will be defined by the SSRD team.

3. PROJECT RESULTS AND RESOURCES FRAMEWORK

<p>Intended Outcome as stated in the Country/ Regional/ Global Programme Results and Resource Framework: UNDAF and CPD 2003-2005 were formulated prior to the 2006 crisis, and therefore did not include an outcome related to Crisis prevention and recovery or Security Sector Reform. Given the context in TL, they were extended without major changes till 2008. However, during target setting for 2007, the Country Office introduced the following under Practice 2 “Fostering democratic governance: Transitional justice mechanisms and security sector reform processes implemented to support peace-building and to prepare for longer term institutional development of the justice and security sector”.</p>
<p>Outcome indicators as stated in the Country/ Regional/ Global Programme Results and Resources Framework, including baseline and targets: n/a</p>
<p>Applicable MYFF Service Line: Conflict prevention and peace building</p>
<p>Partnership Strategy: The project will strengthen the partnership between the Government of Timor Leste, UNMIT and UNDP TL. It will reinforce the provision of coherent advice to the government and an efficient management support to UNMIT in its implementation of a key provision of Security Council Resolution 1704. Moreover, it will lay the foundation for future programming in the areas of SSR and recovery.</p>
<p>Project title and ID (ATLAS Award ID): Review of Security Sector in Timor-Leste</p>

Intended Outputs	Indicative Activities	Responsible parties	Inputs ⁵
1.1. Project mobilized and implementation procedures and mechanisms put in place	1.1.1. Develop TOR and recruit project staff 1.1.2. Establish the multi-stakeholder Project Management Board (PMB) in close consultation with RDTL 1.1.3. Provide detailed technical assistance to government in undertaking the review 1.1.4. In consultation with national stakeholders launch the security sector review officially to reassert political support, purpose, scope and objectives of the project, as well as national counterpart(s) 1.1.5. Conduct round table consultations to address community questions and concerns about the SSR process 1.1.6. Conduct consultation meetings on technical issues with national	<ul style="list-style-type: none"> • Coordination Committee, including UNMIT/SSSU focal point and UNDP TL project manager; • 1 National Communication Expert to work alongside the International communication expert in the design of the information campaign and consultative process • Local facilitators to assist with round tables and communication strategy • Contracted media and printing companies 	<ul style="list-style-type: none"> • Coordination Committee, UNMIT/SSSU and UNDP TL to conduct the activities in an integrated manner. • RDTL feedback on needs, challenges and priorities, regular follow-up and oversight • UNDP and UNMIT assistance (expertise, methodology) • UNMIT/SSSU staff time • Costs related with overall management (12 months): <ul style="list-style-type: none"> - <i>Project Manager: USD 163,550</i> - <i>National Project Officers (x4): USD 49,000</i>

⁵ Not withstanding management costs (F&A).

Intended Outputs	Indicative Activities	Responsible parties	Inputs ⁵
	<p>stakeholders throughout the process</p> <p>1.1.7. Provide Technical advice to government on SSR related issues</p> <p>1.1.8. Develop a public information and outreach campaign to raise awareness and encourage public participation</p> <p>1.1.9. Form the multi-stakeholders consultative group to insure that the process is deeply rooted in local needs, realities and expectations</p>		<ul style="list-style-type: none"> - <i>National Language Assistants (x2): USD 7,200</i> - <i>Equipment (Car & computers): USD 46,000</i> - <i>Supplies: USD 5,200</i> - <i>In-country travel: USD 15,000</i> - <i>Miscellaneous: USD 5,000</i> - <i>Final Evaluation: USD 15,000</i> - <i>Contractual services (ex. Meeting premises, sound system, etc.): USD 10,000</i> • Communication Expert (60 days): USD 20,000 • Total communication and consultation (incl. local senior and junior consultant teams for 30 days): USD 29,750 • Production and printing costs for media strategy USD47,750
<p>1.2. A Strategic Environment Survey is undertaken by RDTL to identify public opinion and promote a dialogue on security issues</p>	<p>1.2.1. Design a survey to identify public perspective vis-à-vis security which is inclusive of youth, women, veterans, IDPs and disenfranchised groups. Implement the survey to assess public perceptions of security and security issues.</p> <p>1.2.2. Translate and print the survey findings in four languages</p>	<ul style="list-style-type: none"> • Same • Coordination Committee, including UNMIT/SSSU focal point and UNDP TL project manager working with an independent research and analysis institution/ organisation to develop and implement the survey 	<ul style="list-style-type: none"> • Coordination Committee, UNMIT/SSSU and UNDP TL to conduct the activities in an integrated manner • RDTL feedback on questionnaire design, needs, challenges and priorities, regular follow-up and oversight • UNDP and UNMIT assistance (questionnaire design, methodology) • USD 300,000 for outsourcing survey • USD 20,000 for translation and printing

Intended Outputs	Indicative Activities	Responsible parties	Inputs ⁵
1.3. The security sector is reviewed by RDTL	1.3.1. Undertake a comprehensive review of the security sector including legislative and institutional frameworks 1.3.2. Undertake a financial analysis to cost the different scenarios and identify potential sources of national funds in close collaboration with the Ministry of Finance 1.3.3. Assist RDTL in elaborating a Security Sector Strategy 1.3.4. Publish the final report in four languages	<ul style="list-style-type: none"> • Coordination Committee, including UNMIT/SSSU focal point and UNDP TL project manager; • Short term Financial Analyst • Short term strategic drafter • Contracted Printing Company 	<ul style="list-style-type: none"> • RDTL on conducting the survey and overseeing the final document final document as well as regular follow-up and oversight • UNDP and UNMIT SSSU staff time • Financial Analyst (60 days): USD 44,500 • Strategic Drafter (40 days) USD 30,000 • Printing, design and translation costs (Tetum, Portuguese, English, Bahasa Indonesia): USD 112,450
	1.3.5. Organise a donor meeting to identify potential support for implementation	<ul style="list-style-type: none"> • Coordination Committee, including UNMIT/SSSU focal point and UNDP TL project manager; • Short term Financial Analyst 	<ul style="list-style-type: none"> • RDTL design of SSS and regular follow-up and oversight • UNDP and UNMIT assistance (expertise, and coordination)
1.4. Immediate capacity gaps or needs as identified during the review process and addressed	1.4.1. Establish a facility which can be rapidly mobilised to address gaps and needs as identified during the review process 1.4.2. Undertake priority capacity building activities	<ul style="list-style-type: none"> • Coordination committee, including UNMIT/SSSU focal point and UNDP TL project manager; • Short-term consultants 	<ul style="list-style-type: none"> • RDTL feedback and regular follow-up and oversight • UNDP and UNMIT assistance • Short term consultants or other implementing bodies

4. ANNUAL WORK PLAN BUDGET SHEET

EXPECTED OUTPUTS	TIMEFRAME				PLANNED BUDGET	
	Q1	Q2	Q3	Q4	Budget Description	Amount
1. Project mobilized and implementation procedures and mechanisms put in place	X	X	X	X	International Project Manager	163,550
			X	X	National Operations Associate	9,600
	X				National driver	3,000
	X	X	X	X	International SSR Consultants	16,450
	X	X	X	X	Equipment and Furniture	6,000
	X	X	X	X	Seconded civil servants (x4)	49,000
	X	X	X	X	Supplies	4,000
	X				Miscellaneous	5,000
	X				Travel	15,000
	X	X			Contractual services/ Companies	10,000
		X			Equipment and Furniture (including car)	40,000
	X	X	X	X	Local Consultants	29,750
				X	International Media Consultant	20,000
				X	Printing costs	47,750
				X	Miscellaneous	2,000
					Sub-total 1	421,100
2. A Strategic Environment Survey is undertaken by RDTL to identify public opinion and promote a dialogue on security issues	X	X			Contractual services/ Companies	318,550
					Sub-total 2	318,550
3. The security sector is reviewed by RDTL			X	X	International financial analyst	44,500
				X	International strategic drafter	30,000
				X	Contractual services/ Companies	112,450
			X	X	Contractual services/ Companies	25,000
					Sub-total 3	211,950
4. Immediate capacity gaps or needs as identified during the review process and addressed	X	X	X	X	Contractual services/ Companies	186,000
					Sub-total 4	186,000
				Overhead costs	85,626	
				Total	1,223,226	

5. FINANCIAL MANAGEMENT ARRANGEMENTS

UNMIT/SSSU and UNDP will assist the government of RDTL team created to lead the Security Sector Reform and development in implementing the project activities in close consultation with the Government. The UNDP project team will be hosted at the Coordination Committee and will closely liaise with UNMIT/SSSU through the nomination of a focal point to ensure close follow up given the sensitivity of the project, and regular liaison with its in-house police, military and legal expertise (in-kind contribution to the project).

The selection of UNDP as executing agency and the direct execution modality is motivated by the proven experience and management capacity of UNDP and national context, as well as the project synergies and cross-linkages with on-going UNDP recovery, governance and development programs. UNDP will assume the responsibility for administrative services and document management, financial management (ATLAS), technical support, monitoring and reporting to local government and donors as needed (in coordination with the SSSU and the Government).

A Project Management Board (PMB) will be established to provide overall guidance and oversight on project implementation, including making management decisions upon request by the Project Manager. This includes the approval of project revisions. The PMB will meet at least four times during the life of the project, or as needed (TOR included in Annex 1). The management structure of the PMB is summarized in the following table. The Project Manager will be supervised on a daily basis by the Head of UNMIT SSSU and reports to UNDP through the Assistant Country Director/Crisis Prevention and Recovery. The Project Manager will also report directly to the Directive Committee and work very closely with his national deputy project manager.

Table 1: Management structure of the PMB (Financial Management)

Name of Role	Organization Responsible	Job title of the Person Fulfilling the Role
Project Board - Senior Beneficiary	State of Timor-Leste	3 Representatives of the 3 tier-National SSR Group, nominated by the Directive Committee
Project Board - Executive	UNDP	Resident Representative or his representative
Project Board - Senior Supplier	UNMIT	SRSG or his representative
Project Manager Deputy Project Manager	UNDP	UNDP Security Sector Reform Project Manager and Deputy Manager
Project Assurance	To be determined	To be determined
Project Support	UNDP	UNDP Operations Officer

The review process will be undertaken by the State of Timor-Leste for the people of Timor-Leste. As such the role of UNMIT and the UNDP is to assist in the review process. Therefore, the administrative structure in this project proposal is solely governing the financial administration of this project not the review itself. The overall strategy and direction along

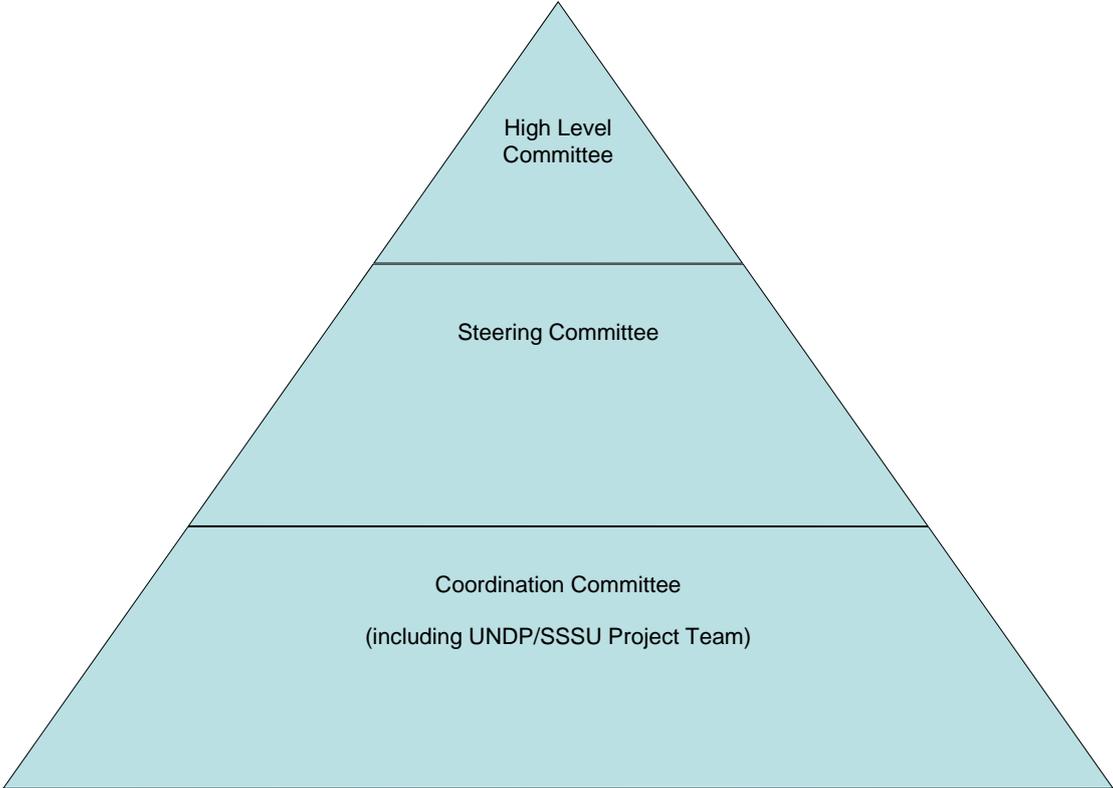
with major decisions will be made or reviewed by the project board according to the public policy and priorities defined by the Three Tier Mechanism for Security Sector Reform and Development. This Board will be made up of three government representatives who will chair the Board and one representative each of the UNDP Timor-Leste and UNMIT. The Board will appoint an independent individual or organisation towards the end of the project to evaluate the project.

The Project Manager will answer to this board although on day to day issues he/she will coordinate their activities under the guidance of the Head of the SSSU and UNDP in liaison with the Government

The role of the Project Manager is to implement the strategy as defined by the project board and ensure that all activities are compliant with UNDP rules and regulations. The manager will also be responsible for the management oversight of all the staff recruited by the project. Similarly the Manager will ensure that donors and the Project Board are regularly briefed on activities related to this project, quarterly donor reports and will ensure that the SSR Capacity Building Facility is compliant with the decisions of the Project Board and donor requirements.

The following diagram further illustrates the structure as it pertains to the interaction between the project team and the government. The selection of these appointments one of whom will chair the board will be the decision of the Government. The diagram is designed to illustrate that the UNMIT and UNDP project mechanisms are intended to support a government driven process.

Figure 1. Project Management Structure in Relation to National SSR Architecture



MONITORING AND EVALUATION

Monitoring and evaluation activities will be undertaken in accordance with UNDP standard policies and procedures. Monitoring results will be shared with the PMB on a quarterly basis. The project manager will prepare and submit quarterly progress reports (both narrative and financial). A comprehensive final report (both narrative and financial) describing the process, approach, implementation results, recommendations and lessons learned will be submitted upon completion of the project. A final evaluation will be carried out in accordance with UNDP's results-oriented monitoring and evaluation planning cycle.

Table 2 identifies the main potential risks to be monitored in order to mitigate and/ or counteract any resulting negative impacts should they materialize.

Table 2: Activity/Deliverable Quality Criteria and Methods

<i>Risk No.</i>	<i>Risk Description</i>	<i>Impact</i>	<i>Probability (L, M, H)^[6]</i>	<i>Degree of Impact (L, M, H)^[6]</i>	<i>Mitigation</i>	<i>Notes</i>
1	Decrease in political support	Lack of national ownership	M-H	M-H	Early involvement and close collaboration with different concerned parties	
2	Conflicting interests and agendas among different stakeholders	Poor cooperation and delays in progress	M-H	H	The process was designed in a highly participatory manner. In addition, 2 forums have been foreseen for conflict mediation (multi-stakeholder Consultative body and PMB) in addition to UNMIT regular coordination meeting with high level decision-makers	Political dynamics to be taken into account
3	Lack of participation of non-governmental actors (CSOs and non-state actors)	Skewed consultative process	M-H	M-H	A communication and outreach component is foreseen. It will build on international experience and knowledge of the local context. It will focus on optimising outreach, scope and approach of the consultative process (roundtables, survey, etc.)	Identify potential champions/ supporters
4	Poor representation and inclusiveness of the process	Skewed participatory process and weak capacity development	M-H	M-H	Advocacy and preparatory dialogue with various political parties prior to public launching	Political dynamics to be balanced
5	Donor support being used politically	The process is at risk of politicisation and decline in national ownership	L-M	H	Seek to widen the general donor base	
6	Volatile security situation	Failure to implement the project	L-M	H	Close monitoring and mitigation of potential disagreements	
7	Failure to include disenfranchised groups such as youth and women	Failure to achieve success factors	M	H	These aspects will be factored in communication strategy as well as survey design	
8	Political intervention in project staff and interventions	Non-transparent decisions	M-H	H	Make sure to observe a mix of representation (public, private and civic sectors) on the Consultative Group and PMB and maintain it as the best forum for consultation and decision making	Loss of motivation and confidence by other stakeholders

<i>Risk No.</i>	<i>Risk Description</i>	<i>Impact</i>	<i>Probability (L, M, H)^[*]</i>	<i>Degree of Impact (L, M, H)^[*]</i>	<i>Mitigation</i>	<i>Notes</i>
9	Different contexts in districts and sub-districts	No standard approach.	M	M	Undertake an initial needs assessment to inform the project strategy by cluster of districts/ sub-districts	
10	A solution to the grievances of the petitioners is not found	Volatile security situation would almost certainly mean that key stakeholders are temporarily not able to participate actively in the SSR process	H	H	N/A	

^[*] *Note: (L) Low, (M) Medium, (H) High*

6. LEGAL CONTEXT

This document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of the Democratic Republic of Timor-Leste and the United Nations Development Programme, signed on 20 May 2002.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the implementing partner.

The executing agency shall:

1. Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
2. Assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

List of Acronyms

ALD	Appointment of Limited Duration
CB	Consultative Board
CDR	Combined Delivery Report
CPD	Country Programme Document
CSO	Civil Society Organisation
DSRSG	Deputy of the Special Representative of the Secretary General
F&A	Facilities and Administration/ General management support cost
F-FDTL	Timorese Armed Forces
IDP	Internally Displaced People
ISF	International Stabilization Forces
M&E	Monitoring and Evaluation
MoDS	Ministry of Defence and Security
MYFF	Multi-Year Funding Framework
NGO	Non-government Organization
OHCHR	Office of the High Commissioner for Human Rights
PMB	Project Management Board
PNTL	National Police of Timor-Leste
RDTL	Democratic Republic of Timor-Leste
SSDS	Security Sector Development Strategy
SSR	Security Sector Reform
SSRD	Security Sector Reform and Development
SSSU	Security Sector Support Unit, UNMIT
TL	Timor-Leste
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNMIT	United Nations Integrated Mission in Timor-Leste



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