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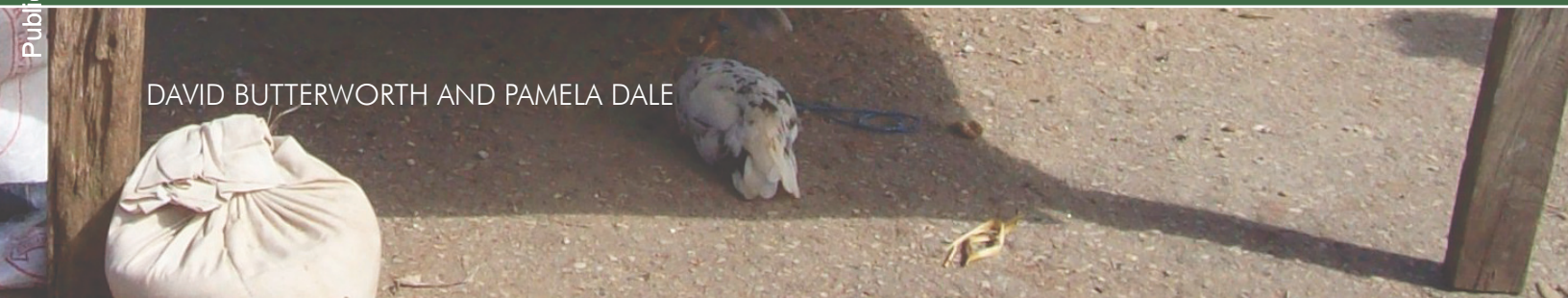
Promoting equity and managing conflict in development

RESEARCH REPORT
JULY 2011

LOCAL GOVERNANCE AND COMMUNITY DEVELOPMENT INITIATIVES

CONTRIBUTIONS FOR COMMUNITY DEVELOPMENT PROGRAMS IN TIMOR-LESTE

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THE WORLD BANK

Justice for the Poor is a World Bank research and development program aimed at informing, designing and supporting pro-poor approaches to justice reform. It is an approach to justice reform which sees justice from the perspective of the poor and marginalized, is grounded in social and cultural contexts, recognizes the importance of demand in building equitable justice systems, and understands justice as a cross-sectoral issue.

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Local Governance and Community Development Initiatives:

Contributions for Community Development Programs in Timor-Leste

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July 2011

Justice for the Poor Research Report

Legal Vice Presidency
The World Bank

Acknowledgements

Executive Summary

What happens when the state's vision and expanding reach bring it into contact with traditional value systems and governance structures? In what circumstances can the distribution of resources in a fragile society prevent—or exacerbate—conflict within and between communities? How do state expansion and public spending impact upon societal expectations of the state and state legitimacy? This report examines these questions through the lens of access, claiming, and decision making in government-sponsored community development programs. The findings illustrate the hurdles faced by government and development actors operating in pluralistic societies, and provide input on how local governance and decision making might be incorporated to enrich programming. This report aims to provide the government of Timor-Leste, particularly those responsible for decentralization, community development, and local governance planning, with information to inform their determination of an appropriate mix of models for local development.

In Timor-Leste, the government is implementing two main models of subnational development. The Local Development Programme (LDP), a nationwide program formally designated as the model for local government and development planning, focuses on community participation and building the capacity of subnational governments to bring about development. The Decentralized Development Program (PDD) and its predecessor, known as the Referendum Package, are budgeted at a substantially higher level than LDP and have emerged as a centralized, private sector-based alternative.

The relative priority the government will ultimately give to these different models—partly a trade-off between speed and depth—will impact on the way in which development and local governance are understood and taken on board by rural communities.

This report finds that the achievement of the dual goals of state legitimacy and sustainable, effective local development hinges in large part on the willingness of state officials (and the donors that support them) to engage productively with communities and locally legitimate customary systems of authority.

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Acronyms/Terms

ASDT	Associação Social Democrática Timorense (Timorese Social Democratic Association), *political party*
AusAID	Australian Agency for International Development
Chefe Aldeia	Hamlet Chief/Head
Chefe Suco	Village Chief/Head
CDO	Community Development Officer
CSO	Civil Society Organization
DA	District Assembly
DDO	District Development Officer
DIW	District Integration Workshop
Fretilin	Frente Revolucionária de Timor-Leste Independente (Revolutionary Front for an Independent Timor-Leste)*, political party*
GoTL	Government of Timor-Leste
ILO	International Labour Organization
J4P	Justice for the Poor
J4P-TL	Justice for the Poor Timor-Leste
LCC	Local Community Contracting
LDP	Local Development Programme
LGSP-TL	Local Government Support Programme Timor-Leste
LSC	Local Supervision Committee
M&E	Monitoring and Evaluation
MSATM	Ministry of State Administration and Territorial Management Timor-Leste
NGO	Non-government Organization
PDD	Decentralized Development Program
PIC	Project Implementation Committee
RDTL	República Democrática de Timor-Leste (Democratic Republic of Timor-Leste)
SBLL	State-Building at the Local Level
SD	Subdistrict
SDA	Subdistrict Assembly
SDV	World Bank's Social Development Unit
SEFOPE	Secretary of State for Vocational Training and Employment
TLSLSx	Timor-Leste Survey of Living Standards (extended)
TIM Works	Investment Budget Execution Support for Rural Infrastructure Development and Employment Generation
UDT	União Democrática Timorense (Timorese Democratic Union), *political party*
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
VAT	Verification and Appraisal Team
Y-CIC	Youth-Community Implementation Committee
YDP	Youth Development Program
YF	Youth Facilitator

1.   Setting the Stage

1.1   Introduction and Purpose of the Report[1]

How do local concepts of ownership, rights, and entitlement manifest in local governance and development processes? What strategies do citizens use to access and claim development benefits? When problems emerge, what systems and institutions are used to resolve them? By answering these questions, development organizations and government planners can inform the design of more inclusive programs and better predict the ways in which they will be taken up by communities.

This report grew out of discussions with Timor-Leste's Ministry of State Administration and Territorial Management (MSATM) about the potential impact of local development planning processes on citizen-state relationships. The ministry was particularly concerned with understanding the role of participatory development methods in the context of a planned decentralization process,[2] implemented in a new state with a complex and dynamic local governance tradition.[3] Because these programs work at the point where the state, customary institutions, and citizens converge, they can teach important lessons about the challenges the Government of Timor-Leste (GoTL) can expect as it expands.

With this in mind, the World Bank's *Justice for the Poor Timor-Leste* (J4P-TL) program, with support from the Bank's Social Development unit, launched research to build a picture of how communities manage their own resources and how they claim and contest state-provided resources.[4] Research in two districts over four months primarily examined the government's Local Development Programme (LDP).[5] Initiated from a partnership between the MSATM and the United Nations Capital Development Fund (UNCDF), this program has piloted local planning processes and financial management at the district and subdistrict level as part of an effort to build the capacity of communities and subnational civil servants to effectively plan and implement community development programs under decentralization.[6]

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[1] For questions, comments, or other feedback related to this report, please contact Pamela Dale (pdale@worldbank.org) and David Butterworth (david.butterworth@anu.edu.au). Questions on the wider J4P-TL program may be directed to Lene Ostergaard (lostergaard@worldbank.org) and Geraldo Moniz da Silva (gdasilva1@worldbank.org).

[2] For a more detailed discussion of decentralization planning in Timor-Leste, see Annex 4.

[3] Timor-Leste's governance traditions, and the continuing importance of customary leadership, are discussed in more detail in the next section.

[4] *Justice for the Poor Timor-Leste* is part of the AusAID-World Bank East Asia and the Pacific *Justice for the Poor* program. More information on J4P-TL, and the J4P program more broadly, is available at www.worldbank.org/justiceforthepoor.

[5] To a much lesser extent, research examined the Youth Development Program and TIM Works' labor-based work program.

[6] As of 2010, LDP has become a nationwide program, with a 2010 capital budget exceeding US$2.028 million and an average per capita allocation of US$3.50. See Timor-Leste (2010). In the original LDP districts, the program was executed at both the district and subdistrict levels. However, in keeping with the revised decentralization model that consolidates local governance at the municipal level (mapped to present-day districts), new LDP districts have

Using the findings from field research and an analysis of program documents and interviews with Dili-based program staff, this paper seeks in general terms to inform community development planning under decentralization. On an operational level, we also hope to inform: (i) the implementation of community development programs such as LDP; (ii) decentralization efforts; and (iii) endeavors to improve state-society relations and state responsiveness more broadly.[7] Our primary audience, therefore, is government and international development agencies that manage and support local governance and community development policy and programming.

1.2   The Context for Local Development

In any endeavor in which the state or development actors operate within rural Timor-Leste communities, engagement with customary[8] authorities is both unavoidable and, if appropriately managed, advantageous. Despite the growing presence of state institutions and authorities throughout the country, customary authorities remain the primary face of governance at the community level, and continue to shape decision making in districts, subdistricts, *suco*, and *aldeia* (see, for example, Mearns 2009; Molnar 2006; Palmer and de Carvalho 2008).[9] Likewise, community expectations for both the shape and quality of governance are formed through its experience with traditional leadership, and relationships with the state are often mediated through these authorities.

Customary authorities and governance systems, then, exert a considerable influence on the way in which local development programs and governance efforts (including the proposed decentralization initiative) are perceived, legitimized, and "owned" at the local level. While customary governance is by no means static, and some features of traditional systems have evolved as a result of their interactions with introduced systems, their persistent presence and authority at the local level makes it, as stated by Lutz and Linder (2004, 26) "…an illusion to think it is possible to build a functioning state without their close cooperation. In these cases the inclusion of traditional structures is not a risk, but rather a decisive factor for successful local governance and development."

In the remainder of this section, we summarize local social and political systems, the influence of culture on development, and models of local development currently under consideration.

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consolidated LDP functions at the district level. At the time of the research, both districts studied by J4P-TL were using the earlier, two-district model.

[7] For more findings related to decentralization, please see Butterworth and Dale (2010). For additional analysis of governance culture in Timor-Leste, please see Butterworth (forthcoming).

[8] In this case and throughout this document, the authors use the terms "customary" and "traditional" authority interchangeably to refer to primarily nonstate authorities who derive their legitimacy from their wide acceptance within the community. In many instances, customary and state authorities intersect at the local level, giving rise to individuals with hybrid authority derived from both traditional/customary power structures and the state, such as when a district administrator is also a member of a leading customary kinship group.

[9] *Suco* is an administrative division, smaller than a subdistrict. There are 442 *sucos* in Timor-Leste. An *aldeia* (town/hamlet) is a division of the *suco*; there are 2,336 *aldeia* in Timor-Leste.

Local social and political systems

We begin by exploring customary systems of governance in Timor-Leste to better understand the context in which the nation's local governance and development programs are operating. Importantly, these systems are for the most part rooted in historical systems developed prior to Portuguese administration. And though they have changed substantially due to interaction with later governance systems, they largely feature localized authority structures premised on kinship, marriage relationships, and settlement patterns.

While there is considerable variation between the nation's numerous sociolinguistic groups, all their customary governance systems are underpinned by similar principles. The most central principle is the identification of individuals as members of a particular "house" (Clamagirand 1980; Fox 1993; McWilliam 2005; Traube 1986). In the anthropological usage, a house refers to a matrilineal or patrilineal clan (or a lineage of a clan) in which all members recognize the same original ancestors (thus, houses are often referred to as "origin groups"). Traditionally, houses have ownership of particular areas of land, or domains (*knua*), which they share with other houses that are closely connected through ties of marriage and shared history. Nowadays, these domains map closely (but not always perfectly) onto the administrative boundaries of *suco* and/or *aldeia* (Fitzpatrick 2002; Urresta and Nixon 2004).

The relationship between houses, however, is not equal, as a number of dualistic asymmetries are built into this type of social organization. In terms of governance, the most important asymmetry is the differentiation of the authority of different houses according to "precedence" (Fox and Sather 1996; Vischer 2009). Precedence describes a hierarchy in which the sacred and political power of a house is determined by its position in the sequenced arrival of houses in a domain and in a network of related houses across domains (be they related through marriage or the creation of new lineages).[10] The first house to arrive in a domain is accorded ultimate authority over the well-being of the domain (including its people and natural resources), and subsequent houses are accorded lesser responsibilities. Further, houses that are categorized as "elder" (because many other houses have segmented from them) or "female" (because they are the source of wives [wife-givers] for many other houses) are granted high status. These powerful houses are variously called "origin houses," "source houses," "lord of the earth," or "source of the domain." In the execution of their powers, houses are represented by individual members who are themselves ranked according to precedence (for example, elder siblings have precedence over younger siblings).

Importantly, precedence-based governance systems are "diarchic," in that ritual authority is held separate from political power. A single origin house may possess an internal division between ritual and political power, or it may delegate political power to a subsequent house. However, in both cases, the individual who holds spiritual authority is regarded as superior and gives sanction to the individual who holds political power. The second form, in which a subsequent house is invested with political power, is typical of the "stranger-king" pattern of governance common to Timor-Leste societies (Fox 2008). Stranger-king systems are defined by the arrival of an outsider

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[10] Each clan has a particular mythic-history that tells of its arrival in its domain (its first place of settlement is called in Tetum the *knua tuan*) and historical relationships with other houses.

who often brings new knowledge (such as Catholicism, literacy) or a new source of wealth (for example, agricultural technology, trade networks) to a community and is thereby given mandate to wield political power.

Large and prosperous houses that successfully established extensive alliances through marriage expanded into new territory and formed indigenous kingdoms. Through the unstable period of the eighteenth and nineteenth centuries, the Portuguese negotiated treaties with the kingdoms' political power holders, whom they called *Liurai*.[11] As the relationship between colonizer and colonized stabilized in the twentieth century, the *Liurai* system became more sophisticated and pervasive as the Portuguese established a nested system of regional government in a hierarchy of hamlets, villages, subdistricts, and districts. Depending on the size and influence of the original indigenous kingdom, and the position of more independent domains, the heads of hamlets and villages (*chefe*) tended to be based on existing patterns of local house authority, while the higher levels of administration were led by *Liurai*—and were much more engaged with, and manipulated by, the Portuguese colonial administration (McWilliam 2009; Ospina and Hohe 2002).

When Indonesia occupied East Timor in 1975, the new colonizing power introduced an administration that in many ways mirrored the Portuguese system. As under Portugal, all positions of authority were notionally appointed by the colonial regime, but more often than not—especially at the more local levels—appointments were made according to customary clan power structures. Alongside Indonesian occupation, the Timor-Leste resistance movement formed a clandestine government apparatus under the banner of the Revolutionary Front for an Independent East Timor (Fretilin) and later the National Council of Timorese Resistance (CNRT). In this system, nuclei of popular resistance (*nucleos de resistencia popular* or *nurep*) formed an alternative to the village leadership and were under the command of the *sekretaris de posto* and *sekretaris de zona*. The resistance government relied heavily on the existing organizational structures of customary house affiliation and alliance to provide it stability and cohesion (see McWilliam 2005; Nixon 2006).

In sum, local articulations of governance in Timor-Leste are anchored in traditional values and practices that have been supplemented (and in some instances appropriated) by Portuguese and Indonesian colonial administrations, as well as the independence movement. While customary forms of governance are defined by localized, precedence-based bonds between houses, they are by now well accustomed to operating alongside, and in combination with, introduced modes of political administration. That such traditions remain strong and, indeed, have in cases flourished as a mode of resistance to colonizing forces is a testament to their ability to consistently and successfully "mobilise alliances and direct local allegiances" (Fox 2009, 121). It is thus prudent for the modern democratic state to recognize the continued relevance of these traditions and the legitimacy they hold in villages and hamlets around Timor-Leste.

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[11] While *Liurai* was the most common designation of king, again recognizing the diversity of Timor societies, the terms *dato* and *dom* were also used (sometimes instead of *Liurai*, and sometimes as a subordinate designation).

The influence of culture on development

Against this background, there are three general cultural themes that have implications for the realization of local governance and community development aims across Timor-Leste, namely: (i) highly localized identities; (ii) propensity for unilateral leadership/decision making within hierarchical authority structures; and (iii) the sentiment of the state's postindependence indebtedness to the people. These themes provide a compass for negotiating effective development and governance initiatives in local Timor-Leste communities.

i. Highly localized identities: ties of community and place
The close relationship of people to place and ancestry in Timor-Leste is manifested as alliances or enmities between communities and localized attachment to places, which are for the most part demarcated by current *suco* and *aldeia* boundaries. These alliances and enmities can potentially affect satisfaction levels with projects and democratic decision making when sentiments of family, allies, or place are carried over by individuals into decision-making processes in governance and local development programs. However, strong local identities also indicate a continuing willingness to sacrifice oneself for the good of the whole. The prevalent practices of communal action and shared labor are prominent examples of this.

Local development efforts can tap the strong sense of identity and community to encourage individuals to engage with, and take responsibility for, managing community resources (including development resources) and local development. However, efforts to build on localized identities to improve ownership of the local development process and its outcomes must also be cognizant of the risks. The pressure to localize governance and development projects can limit healthy competition, reduce accountability, and lead to the exclusion of individuals and ideas from outside of the community—and potentially bring dissatisfaction if the wealth of a development project is not distributed within the community. Further, there is a risk that an overconcentration on very local development can counteract the state's efforts to bring about a broader "imagined community."[12]

ii. Propensity for unilateral decision making: vestiges of autocracy in leadership
Under customary systems, and through the influence of colonial regimes, the normative decision making of local leaders tends to be unilateral, and can thus impede the democratic procedures and good governance practices expected by local governance efforts and community development projects.[13] Likewise, community members often do not have an expectation of participation in local governance, instead vesting this authority in local and national leaders. In the current elected positions of *chefe aldeia* and *chefe suco* there is a confluence of hereditary and democratic rights to leadership. The extent to which current *chefes* are linked to politically powerful descent groups is still not systematically documented, and further research is needed.[14]

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[12] For more on the nation as an "imagined community," see Anderson (1983).

[13] While this is largely true, there is also some level of meritocracy in customary systems, and communities are traditionally able to replace leaders who perform poorly.

[14] Charles Darwin University, with assistance from the Justice for the Poor program, recently completed a short analysis of the October 2009 *suco* elections that sought to examine the extent to which traditional authority is reflected in the elected leadership. Analysis and write-up of findings are ongoing.

Regardless, the legacy of an unequal division of authority across households and groups is an important consideration for local governance and development programs.

However, although traditional governance systems are hierarchical, consultation and collective decision making feature prominently. Community meetings and informal daily interactions allow space for discussion of community priorities, and there is powerful social pressure on community leaders to undertake decisions for the benefit of the community. In their own words, *chefe aldeia* and *chefe suco* consider themselves to be "guides" who provide direction to their community and help to resolve problems. For example, a *chefe aldeia*[15] we interviewed described himself as a "*bibi atan povu nian*" (a shepherd for the people), and a *chefe suco* stated to us that "the resolution of whatever problems we have here, especially the difficult ones, relies on the quality of our leaders—and usually we resolve problems using traditional methods that benefit both sides."[16] Another used the analogy that the *chefe* "are just passengers, the people are holding the steering wheel, if we do bad they will take us over the cliff, if we do well they will take us to goodness and believe in us."[17] While the form of development described by these leaders is not necessarily inclusive, local leaders are clearly accountable to the people, with duties and/or responsibilities that may in fact be stronger than those presently found between the formal government and the populace. Positive features of consultation—and the community values behind them—can be built upon to encourage participatory local governance and decision making over local development resources.

iii. The state's postindependence indebtedness: the making of district politics and expectations of statehood
A legacy of the struggle for independence is an attitudinal balance of credit and debt between community and state.

In the wake of April 25, 1974's Carnation Revolution in Portugal, political activity in East Timor increased with the formation of the *Assossiação Social Democrata Timorense* (ASDT) and its successor, the *Frente Revolucionaria Timor-Leste Independente* (FRETILIN), as well as the *União Democrata Timorense* (UDT) and the Indonesian-aligned *Associação Popular Democrática Timorense* (APODETI). The creation and breakdown of alliances during this turbulent period, including violent conflict between the once coalitionist FRETILIN and UDT, continue to shape political life in Timor-Leste. Nixon (2008, 105) notes that "the response of East Timorese elites to the circumstances of 1974 and 1975 provides insight into important aspects of East Timorese political culture and aids understanding of developments that threaten the cohesion of the RDTL [República Democrática de Timor-Leste] state in the present day."

In particular, the prevailing resistance-era party, FRETILIN, and the newly formed *Congresso Nacional de Reconstrução de Timor* (CNRT) (which evokes the apical resistance body *Concelho Nacional da Resistência Timorense*), are dominant political parties popular in Timor-Leste's

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[15] Community leader, male, 31–40.
[16] Community leader, male, 51–60.
[17] Community leader, male, 51–60.

districts, including the research sites of Aileu and Lautem.[18] The leadership provided by seminal political parties and the distresses of the resistance experience mediate community expectations of the state. For example, it has been argued that among the Mambai of Aileu district, the local idiom of debt and obligation is extended into community-state relations, such that people who made sacrifices (represented in the culture-hero Mau Kiak) for an independent Timor-Leste now expect "payment for their fatigue" (Traube 2007, 10). Fox takes this argument and applies it to all grassroots communities involved in the resistance, stating that if "there is a debt that should be repaid in the name of citizenship for all, it is the debt to Mau Kiak - the population of the countryside who regard themselves as having purchased East Timor's nationhood with their blood" (Fox 2009, 125).

The proposition that local communities expect their state to repay a debt incurred by their resistance to colonizers resonates with research findings. Several respondents (including two *chefe aldeia* heavily involved in the resistance movement) stated that in reference to road quality, the Indonesians had provided superior infrastructure (albeit as a mechanism to solidify its dominion over remote communities). This by no means indicates a desire to return to old ways; rather, it is a recognition that the high expectations for the government of independent Timor-Leste are yet to be met. In other words, the state is still very much indebted to its citizens.[19]

Models of local development under consideration

As discussed, the social and political history of Timor-Leste and the Timorese expectations of governance and development point towards the continued importance of customary systems and leaders. Recognizing this, the GoTL took steps towards formalizing the relationship between customary and state authorities in 2009 with the passage of a "Law on Community Authorities and Its Election" (*Lideranças Comunitárias e Sua Eleição*). This law defines *suco* chiefs and councils as "community authorities," with a scope of duties and a small stipend. It also lays out a membership structure for the *suco* council, with an elected *suco* chief, *aldeia* chiefs, two women's representatives, two youth representatives (one male and one female), one elder, and a council-selected *lia nain*.[20] While the *suco* council and its membership are officially recognized, they are explicitly excluded from the public administration and their decisions are nonbinding upon the state.

The new *Law on Community Authorities*[21] recognized a role for local leaders in bringing development to communities. However, customary authorities played an important role in the government's development efforts prior to the passage of this law. The LDP, which began in 2004, recognizes a prominent role for local authorities in program socialization and

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[18] For example, in the 2005 *suco* elections, 59.4 percent of the candidates for elections were members of Fretilin, while 30.3 percent were independents, leaving only approximately a 10 percent spread of candidates from other parties. (While *suco* elections were also carried out in 2009, these were officially nonpartisan, and thus do not provide data to update the 2005 numbers on party representation at the *suco* level.)

[19] For a more detailed discussion of this issue, see Butterworth (2010).

[20] *Lia Nain* (lord, or owner, of words) is the title of conflict resolvers and marriage/bridewealth negotiators whose legitimacy is anchored in knowledge of customary law and history, which is traditionally codified in ritual speech.

[21] Law Number 3/2009, promulgated July 8, 2009. Available in Portuguese in the *Jornal da República* on Timor-Leste's Ministry of Justice website: http://www.jornal.gov.tl/index.php?mod=artigo&id=1953.

communication, project identification and selection, and monitoring, among other tasks.[22] LDP procedures also detail multiple steps for direct community consultation and participation. Likewise, the World Bank-supported Youth Development Program (YDP), which is implemented by the MSATM, places local development decisions, from project identification through implementation and monitoring, in the hands of local youth. For more on LDP, YDP, and the TIM Works cash-for-work programs that are the subject of this research, please refer to Annex 3.

Though the LDP was expanded to become a nationwide model for local development in 2010, it is not the sole approach being pursued by the government. In 2009, in an effort to speed up the delivery of needed public works, the government allocated US$70 million towards a local-level infrastructure program known as the Referendum Package.[23] Based within the Ministry of Infrastructure, the program was designed top-down, with little or no consultation with local authorities. Projects were delivered through contractors rather than communities.

In 2010, the government followed up the Referendum Package with a US$31 million small-scale infrastructure program known as the Decentralized Development Program (PDD). The 2011 state budget provides for the continuation of PDD, with over US$44 million in funding for projects at the *aldeia*, *suco*, subdistrict, and district levels (Timor-Leste 2011). The PDD is managed by the MSATM, recognizing its previous experience implementing local development programs.

While the Referendum Package and PDD provide a rapid insertion of funds into the community and are designed to stimulate local industry, the approach is not without controversy. Accusations have been made by some that the Referendum Package projects in particular did not reflect local priorities, excluded local leaders and communities, and resulted in low-quality programs. Suggestions of bias in the selection of contractors have also been aired.[24] While controls have been tightened under the PDD, some concerns remain among elements of civil society.[25]

Comparing the level of funding made available for PDD against that for LDP ($3.5 million in 2011), it is evident that the thrust of the government has at present shifted from bottom-up, participatory approaches (including the now on-hold draft laws on decentralization) to a strategy that emphasizes centralized authority for development planning and implementation.

The divergent models represented by the Referendum Package/PDD compared to programs such as LDP and YDP reflect the ongoing debate in Timor-Leste on the appropriate form of local development and, indeed, of state-society relations as a whole. The relative development

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[22] For more information on the role of community authorities in the Local Development Programme, please see Annex 3.

[23] For a summary of the program, please see http://timor-leste.gov.tl/wp-content/uploads/2010/03/MR-Referendo-Package-28.10.09.pdf. In addition to the link provided, there are many articles and reports discussing and critiquing the design and implementation of the Referendum Package programs.

[24] Source: Interviews with district and subdistrict administrators, contractors, and customary authorities, December 2010.

[25] See, for instance, La'o Hamutuk (2010).

planning authority of community leaders, citizens, and civil servants at the national and subnational levels, and the relationship between these groups, are not simply technical design questions. In many ways, the eventual direction the government takes on local development planning will reflect its perspective on the role of community leaders and members in governance and development more broadly.

With this in mind, the next subsection highlights three key lessons for local development programs in Timor-Leste from the context described so far.

1.3   Implications for Local Development in Timor-Leste

What messages can local governance and development actors take from the preceding analysis? First and foremost, to realize their full potential, local development efforts must be strongly community driven and community owned. There is a keen desire among communities to be active players in local development and governance, and programs that can capture this enthusiasm are most likely to be viewed as successful in the eyes of rural Timorese. Engaging communities is also a priority for state legitimacy. Of the nationwide governance and development models currently used by the GoTL, the participatory model under the LDP best engages community members and leaders.

Second, because local governance and development programs bring together new principles of equity and participation with traditional governance models, they are a highly visible touch point for state-local engagement. The extent to which state authorities and local development actors will achieve both their development goals and a wider legitimacy is directly correlated with their willingness to engage productively with customary systems of authority. This does not imply a wholesale acceptance of or reliance on these authorities, as development actors must also be cognizant of inequities in traditional systems. It does, however, point to the need for a dynamic, negotiated relationship between the traditional and the formal that values and builds on both models.

Finally, because local governance and development intersect to form a meeting point for different value systems and a space where these values are mediated, the convergence carries the potential for disputes. While some conflict is healthy, conflict stemming from misinformation or allegations of bias must be carefully managed to prevent escalation and deterioration in trust.

In the next section, we will explore the implications of customary systems and historical transformations of governance for modern democratic principles, especially as instituted by community development programs. To do so, we will look in detail at the implementation of LDP (and to a much lesser extent, YDP and the TIM Works labor-based work program) in Timor-Leste, discussing how this history, the customary governance, and the legacy of highly localized identities, autocratic decision making, and community expectations of the state impact local development in practice. Operational implications of the research will then be explored in the concluding section, "Summary and Suggestions."

2.   Research Method, Findings, and Applications

2.1 Methodology

To provide context for the discussion of findings, we first briefly explain the research methodology and provide a background to the programs studied. Given the research concentration on issues of process—that is, a focus on *how* and *why* certain pathways are followed and outcomes occur—the research methodology was largely qualitative, relying on semi-structured interviews and case study development. To develop a comprehensive view of program implementation, the research teams targeted a broad range of respondents, including program staff, district- and subdistrict-level government officials, local leaders, contractors, beneficiaries, and nonbeneficiaries.[26] In total, the team conducted 119 interviews as broken down in the table below.[27]

Position/Role	Number of Respondents	Number of Interviews	Gender
Community Leaders	44	41	M: 86% F: 14%
Project Beneficiaries	62	39	M: 71% F: 29%
Public Servants	31	30	M: 100%
Contractors	12	9	M: 75% F: 25%
Total	**151**	**119**	**M: 82% F: 18%**

These interviews were linked to 20 case studies. Interviews and case study research were supplemented by an analysis of existing program data; a review of relevant literature on topics such as local-level decision making, state formation, and community development;[28] and reference to recent surveys for background on access to justice, trust, and decision making in Timor-Leste.[29]

Research was conducted between June and September 2009 in Dili and a total of 10 *sucos* in two districts (Aileu and Lautem).[30] Data collection and analysis were carried out in partnership with Luta Hamutuk, a Timorese nongovernmental organization (NGO) specializing in the monitoring

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[26] Question guides are available at www.worldbank.org/justiceforthepoor.

[27] The variations in the number of respondents and number of interviews conducted stem from the fact that some respondents were interviewed multiple times, and others were interviewed in a group. Further, research participants were selected to represent the key actors of LDP, and while the voices of women and youth are represented in the respondent sample, the prevalence of middle-aged male respondents reflects the dominance of this group in local governance and development in contemporary Timor-Leste.

[28] A sampling of this literature includes: Boege et al. (2008); Hohe (2002); and Ospina and Hohe (2002).

[29] This includes the Timor-Leste Survey of Living Standards extension (TLSLSx) and Asia Foundation surveys on access to justice. For more information on the TLSLSx, see World Bank and National Statistics Directorate (2008); Dale et al. (2010c); Dale et al. (2010b); and Dale et al. (2010). Findings from the most recent Asia Foundation Timor-Leste justice survey are compiled in Everett (2009).

[30] Please see Annex 1 for a map detailing research locations.

of, as well as research and advocacy on, economic justice.[31] The research team consisted of five national researchers, supported by two international research coordinators and a program assistant.[32] Close contact was maintained with the International Labour Organization (ILO)/Secretary of State for Vocational Training and Employment (SEFOPE) TIM Works team and the MSATM, which is home to the LDP and leads the government's planned decentralization efforts. Draft findings were shared with both teams. Workshops with LDP program teams in September 2009 and April 2010 proved especially valuable in developing recommendations. Finally, the World Bank's Social Development team provided useful insights and support to the research design as one of the primary target audiences for the present research.

For more detailed information on methodology, see Annex 2.

2.2 Short Description of the Local Development Programme

The LDP was the primary focus of study under this research. Launched in 2005 with the support of UNCDF and the United Nations Development Programme (UNDP), the LDP is intended to (i) reduce poverty through local-level infrastructure and service delivery; and (ii) inform national policy on decentralization by piloting procedures for local-level planning, financing, and implementation of public goods and services. Working with the MSATM, the program provides annual community development block grants to support the financing of small-scale public goods. Block grants are allocated based on population size, with a current allotment of US$3.50 per *suco* resident. In 2010, the government expanded LDP to each of Timor-Leste's 13 districts and allocated US$2.35 million to fund the program.[33]

The community development model implemented under the program promotes participatory development planning and encourages increased interaction, transparency, and accountability between civil servants, local leaders, and community members in the use of development funds. LDP has put in place local planning processes that allow for community members, in concert with local authorities, to design and identify *suco* priority projects. Projects from *sucos* are submitted to district assemblies, where they are evaluated and costed, and then voted on by a panel of community leaders from the *sucos* (voting members), supported by a selection of nonvoting civil servants. The number of projects funded in a given year is determined by budget envelope and project cost; as of 2009, the average project cost was US$9,000 (Timor-Leste 2009).[34]

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[31] For more information, please visit www.lutahamutuk.org.

[32] The Luta Hamutuk researchers are Alarico Pinto, Julieta da Silva, Teodosio Mendonca, Zenilton Zeneves, and Jose da Costa. Geraldo Moniz da Silva of the *Justice for the Poor* program served as Program Assistant for this assignment, and Dr. David Butterworth and Pamela Dale (also of J4P) coordinated research activities.

[33] This allocation does not include Dili and Liquica districts, which did not receive funds from the state budget in 2010. Instead, they will use their regular budget to establish subdistrict development commissions and district assemblies. See Timor-Leste (2010).

[34] In the most recent LDP model, as described in this report, *suco* priorities are sent to the district assembly, in keeping with the revised decentralization model in which functions are consolidated in municipalities. However, during the time of this research in Aileu and Lautem districts, these districts were using the former LDP model, with assemblies at both the district and subdistrict levels.

This process mirrors current draft plans for decentralization, whereby communities will create development plans that will then be submitted to municipal governments (the boundaries of which are expected to match the current district administrations) for potential inclusion in the multiyear municipal development plans.[35] Civil servants may also suggest sectoral projects for inclusion in the list of projects considered by the voting members of the assembly.

Selected projects are implemented by contractors or communities themselves. Project monitoring responsibilities are shared by civil servants and community members, and financial management duties rest with civil servants at the subdistrict and district levels. Overall program management is performed by project staff based within the MSATM, who support district-based LDP staff.

For more information on the LDP, as well as descriptions of the YDP and TIM Works, please see Annex 3.

2.3 Findings: Program Communication and Socialization

The LDP and, to a certain extent, the YDP explicitly aim to reform the structure of local development and governance in Timor-Leste, building systems that actively promote local involvement and strong state-citizen relationships. Effective communication between citizens, local government actors, and the state plays a central role in building these linkages and bringing forth a new and inclusive definition of local governance and development. As stated in a recent World Bank report examining citizen-state relations in postconflict societies, "communication structures and processes are the connective tissue that link state-institutions with citizens and facilitate the development of accountability and trust" (World Bank 2008, 8).

Recognizing this, program communication—especially socialization[36]—is given high priority under both LDP and YDP, as evidenced by the human and financial resources dedicated to information sharing and the detailed procedures in project operational manuals. The communication processes under these programs are a key mechanism for downward accountability (that is, accountability to project beneficiaries and communities) and are integral to the design of these community development initiatives.[37] Well-executed socialization and continuous communication can also help prevent disputes over project[38] resources. However, information sharing is extremely difficult in a context such as Timor-Leste, which has little communications infrastructure (Soares and Mytton 2007), limited reach of formal government structures outside of the capital, low levels of literacy (World Bank and National Statistics

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[35] For more information on decentralization, please see Annex 4. Detailed copies of the three draft laws on local governance (covering Local Government, Municipal Elections, and Territorial and Administrative Divisions) are available in Portuguese on the website of the Ministry of State Administration and Territorial Management: http://www.estatal.gov.tl/English/Desentralization/pub_doc.html.

[36] Socialization here refers to the process of informing communities about a project and project procedures, ensuring they understand their roles, and facilitating their participation. This takes place largely, but not entirely, at the outset of a project, and can be enhanced by continuous project communication and information sharing.

[37] This is particularly true with projects such as LDP and YDP, which have clear governance objectives and are intended as a training process for participatory local governance.

[38] Here and in instances throughout this section, "project" indicates an activity such as school rehabilitation or a market access road that is funded under the wider program.

Directorate 2008), 17 distinct languages with many more dialects (Wurm and Hattori 1981), and customary political decision-making structures that generally do not prioritize democratic consultation, particularly with women and youth.

Despite these obstacles, LDP and YDP encourage socialization and information sharing through a variety of mechanisms, both individually and through joint activities. YDP, in particular, requires consultations with youth at no less than five points during the project cycle. Community meetings, a form of information sharing and community engagement traditionally used in Timor-Leste, play an important role. LDP training includes a module on socialization. YDP hires and trains youth facilitators to conduct extensive socialization activities prior to project identification to encourage youth participation.

In addition to face-to-face interaction (the preferred means of communication in Timor-Leste), both projects budget for a wide range of media for socialization, including radio and pamphlets. At latter stages, project requirements dictate that sign boards be posted at project sites, and information on project selection, tendering, and other key points in the project cycle are to be posted at the subdistrict headquarters. However, despite the substantial attention, time, and resources both projects devote to it, information sharing remains a challenge. An analysis of ongoing limitations in accessing project information, as well as features of the social and governance environment that enhance or limit effective socialization and continuous information sharing, may prove informative to other development programs in Timor-Leste.

As detailed in the preceding section, power relations and authority structures in Timor-Leste are articulated with reference to a complex cultural and historical context. While LDP, YDP, and community-driven development programs generally aim to strengthen democratic decision-making processes and foster stronger state-citizen relations, locally valid power relations can contravene the consultation procedures envisaged under the programs. In all *suco*-level research sites, the decision-making culture of the *suco* councils, principally embodied in key power brokers such as the *chefe suco* and *chefe aldeia*, displays authoritarian characteristics that impede the democratic ideal[39] of full and timely community consultation in project selection.[40] As a senior civil servant in Aileu noted, "…only the *suco* councils know enough about LDP to make priorities; in general, the community doesn't know. This is a problem, because the *suco* councils should be giving information to the people about LDP, but this is not happening."[41]

According to community and *suco* council members interviewed for this study, community consultation meetings for project selection, which are an important tool for communities to learn

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[39] The Government of Timor-Leste recognizes a clear link between democracy, decentralization, and participation. As stated by the Minister of State Administration and Territorial Management: "The second [fundamental reason] for Timor-Leste to implement decentralization] is about democracy – and when we talk about democracy we talk about participation." See Timor-Leste (n.d.). Infrastructure development, poverty reduction, and preparing local officials for decentralization are the key aims of the project, but the importance of democratic decision making and participation is raised continuously in project materials.
[40] The process involves a community consultation through which three *suco* priorities are chosen to go to the subdistrict level. (For more information, please see Annex 3.) While *chefes suco* say they consulted, community members and other *suco* representatives did not recall any meetings taking place.
[41] Civil servant, male, 31–40.

about the project budget and ensure transparency and accountability in the use of LDP funds, are primarily attended by community leaders such as *suco* council members. For example, one respondent from Lautem described LDP as a "family" program because project information is not well published and in the management of tenders, information is often given only to particular people.[42] This finding is consistent with data from other studies showing that even when community meetings take place, it is difficult to achieve wide community participation. The recently extended Timor-Leste Survey of Living Standards (TLSLSx) justice module[43] found that 51 percent of young (under 30) community members had attended a community decision-making meeting of any type in the previous year (Dale et al. 2010c).[44] Reasons for nonattendance, as found in the TLSLSx and confirmed in the fieldwork, include feeling that one is a "common person" and therefore not invited/expected to attend, transportation difficulties (particularly for individuals with disabilities or who live a long distance from the *suco* office), lack of time, and lack of information on meetings.

These comments and barriers clearly show the challenges faced by community development programs (and governance and development efforts more generally) working in communities in Timor-Leste. Trust in government, social capital, and citizen empowerment do not develop overnight; as stated in a report by the Development Research Centre on Citizenship, Participation and Accountability, the empowered citizen "…emerges gradually through local level struggles around livelihoods or access to services, and only later (sometimes a generation later) gains the independence and knowledge to engage with 'higher level' state processes" (DRC 2006, 9). Programs such as LDP and YDP, then, are in the difficult position of providing forums for citizen participation while simultaneously building citizen capacity and trust to participate.

The obstacles to participation described above are, however, not insurmountable. In one case identified during field research, a nurse[45] working at a local health center receiving an LDP-funded upgrade stated that she regularly attends the public *suco* meetings that are held every two months. In one such meeting (before LDP was introduced in the area), her suggestion that the *suco* would benefit from a special maternity facility was adopted by the *suco* council, which decided to build the facility using existing budgets. The project was later adopted as an LDP district project. This case demonstrates that when conditions are right—when community members are enthusiastic about the process and trust that their voices will be heard, live proximate to community meeting sites, and have access to information (the respondent was a literate professional)—community meetings can provide an important platform for information sharing and participation. However, recognizing that these conditions are rarely met, the LDP and YDP teams supplement community meetings with alternate forms of communication, such as project information boards and posters.

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[42] Community leader, male, 41–50.

[43] The TLSLSx survey justice module, which was funded with support from the World Bank's Trust Fund for Environmentally and Socially Sustainable Development (TFESSD), was fielded in a representative nationwide sample in early 2008. All reports and findings are available on the *Justice for the Poor* program website: www.worldbank.org/justiceforthepoor.

[44] We recognize that this may indicate relatively strong attendance in comparison to other countries in the region. However, because of the crucial role of community meetings in Timor-Leste, this attendance rate indicates that a large number of community members are likely excluded from development planning.

[45] Project beneficiary, female, 31–40.

As noted above, both LDP and YDP require that information about the projects be widely posted. The team observed that information about LDP, including project tenders, was posted at each subdistrict administration building, as well as at district offices. However, the location of the posting was often not accessible; for example, in one district, the LDP information was posted inside the kitchen and eating area reserved for public servants. No community members interviewed identified district or subdistrict notice boards as primary sources of information about LDP, instead citing direct communication with their community leaders.[46] Although citizens are generally well aware that notice boards at district and subdistrict offices are a source of information about government initiatives, respondents did not specifically seek out knowledge regarding projects in these places.[47] As with community meetings, this reflects a general sense of disempowerment on the part of citizens that hinders their participation in development as much as it is a communications challenge.

Unsurprisingly given the context in Timor-Leste, information about LDP projects was largely accessed at the *suco* level. This indicates a need for strong and diverse information sources at the local level; project information boards are among these sources. At the time of research in the two project sites where construction was ongoing, only one site had an information board. In the other, neither the *chefe suco* nor the local builder employed by the contractor to lead local workers knew that an information board should be provided, though in a later interview, the community development officer (CDO)[48] stated that the board would soon be erected. Similarly, a *chefe suco* in Lautem district expressed frustration with a recent project, indicating that "throughout the project, there was no transparency, in part because there was never a project information board."[49]

This information, and particularly the comment of the *chefe suco*, indicate that project information boards, if posted as per project guidelines, can play an important role in *ex-post* sharing of information about LDP and other community-level projects. However, it may be useful to expand on the information currently included on the notice boards. At present, project site boards identify only the name of the contractor, project title, project code, location, estimated start and completion date, and contact number of the contractor. Information at the district and subdistrict headquarters include the addition of a budget, but as indicated above, this information source is rarely accessed. According to civil servants in both districts, further information on projects (such as the budget breakdown, project design, and materials to be used) are reserved for contractors and public servants, and kept confidential from the community. It is important to note that this is neither required nor encouraged by LDP guidelines, but rather reflects civil servant perspectives on the types of information that should be shared with communities.

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[46] Of the J4P team's interviews with more than 62 individual beneficiaries, all with the exception of one identified the *chefes aldeia* and *suco* as the primary conduit of information about the project.

[47] Problems with the prevalence and quality of information on public notice boards are not specific to LDP. For example, a recent study of communication in post-tsunami Aceh found that, while notice boards were present in 79 percent of villages, the quality of information was often very poor, outdated, or nonexistent. See Sharpe and Wall (2007).

[48] A subdistrict-based civil servant responsible for promoting and supporting local development.

[49] Community leader, male, 41–50.

When only a limited amount of information is available, transparency, participation, effective monitoring and evaluation, and project ownership are adversely affected. For example, a worker on an LDP water and sanitation project in Lautem stated, "all this time I really don't know what LDP is."[50] Similarly, a beneficiary whose farmland was part of an LDP reforestation project stated that "what I know is that this project was first given by the Department of Agriculture and then changed hands to the District Administration,"[51] but he was not aware that it was funded by LDP. Thus, while LDP projects play an extremely important role in bringing much-needed development to communities, and project procedures make important contributions to the development of state-society relations, information limitations prevent the program's full potential from being realized.

These difficulties with access to information are discussed in more detail in the box below, which illustrates the potential hazards of implementing sector projects without extensive—and continuous—socialization with local communities.

Box 1. "It was All in Their Hands"

In 2008, the headmaster of a centrally located primary school in Lautem knew his existing buildings could no longer withstand the increase in students. In 2006–07, the school served approximately 300 students, but this grew to 479 students in the 2008–09 academic year. Having told the District Education Department of its troubles, the school chose to seek funding for a new classroom as an LDP sector project. However, while both the local community and the department had a common interest in the project, the headmaster and the *chefe suco* were left out of further discussions. The headmaster related to researchers that "we just sent the project idea to the District Department of Education and after that it was all in their hands until it finished." Meanwhile, the *chefe suco* asserted "there was no coordination between the Education Department and our *suco* council because they have the right to back proposals directly to the district assembly."

While the project was voted on at both subdistrict and district assembly meetings, the *chefe suco* nonetheless felt marginalized, stating that he did not feel responsible for monitoring project quality because of the involvement of a third party, namely the Education Department. These tensions had a negative impact on project implementation, as several small quality issues were initially left unaddressed while the subdistrict administration, Education Department, community, and contractor discussed the division of responsibility for the project. As the superintendent of the Education Department asserted, a "door was definitely broken, but we don't know if it is our responsibility to fix it because the inspection was carried out by the LDP technical team, and they have not told us whether the breakage occurred within the maintenance period or not." While the problem in this example was quite small, the information gaps and resultant confusion over division of responsibilities for project maintenance were frequently found in development projects at the local level.

The statements in the preceding paragraphs and the case discussed above reveal the importance of keeping communities informed and involved throughout the project cycle. As related in the

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[50] Project beneficiary, male, 41–50.
[51] Project beneficiary, male, 61–70.

earlier discussion of localized identities, when community members and local leaders are not engaged, or feel that a project is not their own, they are less likely to take responsibility for design, implementation, or maintenance, and also express greater dissatisfaction when even small problems arise.

Both LDP and YDP recognize the need for a strong feedback loop with communities. Program guidelines specify that information on final project selection and budgets be reported to *suco* councils and community members. However, this feedback loop is very difficult to complete. A CDO in Lautem, when speaking of monitoring and evaluation, noted that "the community does not know the LDP process, and so we need to increase their capacity so they can carry out their function and responsibility."[52] Likewise, a CDO in Aileu noted the difficulty in explaining project processes to communities and suggested "…if we are to fix this situation, we need a number of public programs that directly involve the community. Through activities like this, local leaders can explain and raise awareness of LDP."[53] A senior civil servant from Aileu, in suggesting the need for continuing education on the LDP process, highlighted the essence of LDP's role: "There needs to be more civic education, not just among civil servants, but also among the community, so that they can become more involved in decentralization."[54]

These comments, while identifying current limitations, also reflect positively on the effectiveness of LDP and YDP as mechanisms to promote both community development and better local governance. The statements clearly recognize that there is a role for communities and local leaders in development, that community engagement is a key step in the sustainability of project infrastructure, and that communication with citizens should be a priority. There are other indications that LDP is raising awareness of the importance of community participation in development. In one case, a *chefe suco* in Aileu district was disappointed with the quality of work on a water tank rehabilitation project. In keeping with his role in the LDP program, he actively consulted with the CDO on the problems he identified with the project and pushed for stronger monitoring at the district level.[55] Cases such as this are encouraging evidence that customary and state leaders can work together to improve local development.

2.4   Findings: Participatory Planning and Prioritization

The participatory planning[56] and prioritization features of LDP, YDP, and community-driven development programs generally are the defining structures of these programs, and the most obvious intersection of customary and modern governance. The planning mechanisms put in place decision-making models and ideas of the role of the citizen that reflect the state's democratic ideals. Through these mechanisms, communities are given the opportunity to define their own needs and priorities, and interact more fully with the state and democratic processes.

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[52] Civil servant, male, 31–40.
[53] Civil servant, male, 31–40.
[54] Civil servant, male, 31–40.
[55] Unfortunately, the *chefe suco* was later hospitalized, and was therefore unable to continue his advocacy related to project quality.
[56] "Planning" here refers to the planning processes of the programs under study. It is not intended to comment on the features or processes that should be included in a community development plan, or the necessary features for long-term, evidence-based development planning.

However, they also recognize the continued importance of traditional leaders. For example, LDP empowers local leaders to lead project selection at the assembly voting stage, building on their knowledge of local development priorities and their local legitimacy.

Given the limited presence of the state in the districts, the LDP and YDP programs allow for the development of community infrastructure that may otherwise have gone unbuilt. Studies of community-driven development programs globally have proven the link between participation and ownership, as well as the ways in which participation has translated into improved social capital and accountability.[57] The participation-ownership link is perhaps even stronger in the Timor-Leste context due to the prevalence of highly localized identities. The present research has likewise found that communities in Timor-Leste are interested in and—if given information and support—capable of taking a leading role in managing local development.

Participation

Research participants from all respondent categories were overwhelmingly positive about LDP projects implemented in their communities. The insertion of new resources was welcome, and the wide range of community infrastructure developed under the program (markets, feeder roads, rehabilitation of primary schools and health centers) shows the breadth of community needs and the diversity of development priorities. In comparing LDP to other development efforts, community members and leaders often stated that LDP resulted in projects that were more responsive to community priorities, better designed, and, when community labor was used, implemented at lower cost. The respondents also recognized that community infrastructure developed under the program had the potential to promote economic development in their communities. For example, a trader in an LDP-supported marketplace in Aileu said, "This new market is a big help to us. We have come from far only because this place has been made a priority for us."[58]

Community leaders were more aware of the governance aims of LDP than beneficiaries, and in particular, were encouraged by the potential for local empowerment through participatory development and decentralization. As one *chefe suco* put it, "I think that LDP is a way to improve the creativity and ability of our people … here we are already prepared to carry out the projects because we have skilled workers who have more than twenty years of experience building houses and other types of construction."[59] This statement is a small but interesting example of the merger of community and state development ideals at the local level, as it captures both the recognition of the value of state-led development efforts and community participation and the localized view of "our people."

Community meetings remain the primary platform for identification and prioritization of projects (though in both LDP and YDP, community leaders and project staff are encouraged to solicit feedback from a wide range of community members and groups both inside and outside of meetings). Participation in community meetings has a decidedly positive impact on ownership

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[57] See, for example, Chase and Woolcock (2005).
[58] Trader, male, 31–40.
[59] Community leader, male, 41–50.

and sense of community; per the living standards survey results, 100 percent of respondents who had attended a community meeting in the past year felt involved in their community, whereas among those who had not attended, only 3 percent of respondents felt involved (Dale et al. 2010b).[60]

As noted in the preceding subsection, participation at community meetings varies, and often only members of the *suco* council indicated that they had attended a *suco* meeting on project prioritization for LDP. While there are regional and temporal variations, traditional norms generally hold that decision making on behalf of the community is the purview of (largely male) heads of household and origin groups. Though changes in the structure of community decision making are gradually taking place through both electoral reform (including the requirement for female and youth *suco* council membership) and exposure to new ideas and opportunities, building citizens' desire to participate—and the tools to facilitate it—is an uphill battle. In part because of these challenges, "community participation [in LDP]… has been generally lower than expected" (Timor-Leste 2008, 10).

Participation of women in community meetings is an ongoing concern for the LDP program staff. In the same report cited above, LDP found that over the first three years of the program, participation of female voting members at subdistrict assemblies had fallen by 10 percent. In interviews with 28 female respondents (including five *suco* council members/assembly delegates, two directors of contracting companies, and 21 project beneficiaries), only the *suco* council members and one beneficiary stated that they regularly attend *suco* meetings.

However, despite data showing that women's active involvement in community meetings is substantially lower than that of men,[61] on the whole, the female *suco* council members interviewed were enthusiastic about LDP's openness to women and stated that their voices were heard in the *suco* and assembly meetings. For example, female respondents indicated that "we also give our ideas in meetings because we have the same rights, and so they hear us"[62] and "we always give our opinions and put forward what women feel as important."[63] This might reflect the efficacy of LDP's capacity-building activities focused on women assembly members, and shows how even difficult-to-reach groups can be engaged in development if given information and well-defined roles.

Though the respondents quoted above expressed satisfaction with their level of participation in the LDP process, it is still important to examine remaining barriers to participation and outcomes. Beyond the transportation difficulties, hierarchical decision-making structures, and

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[60] Of course, the direction of causality in this case is not entirely certain—it is possible that those who already felt excluded from their community decided not to attend meetings. The relevant questions in the TLSLSx are: *Section 5(a)(3)*, Have you attended a decision-making meeting in the past 12 months?; and *Section 5(a)(4)*, Do you feel sufficiently involved in the community decision-making process? For more information and analysis of the TLSLSx data, please visit the J4P website: www.worldbank.org/justiceforthepoor.

[61] Per the TLSLSx data, 48 percent of young women household heads spoke at the last community meeting they attended, compared to 85 percent of young men heads of household. The relevant question is: *Section 5(a)(7)*, Did you speak at any of these meetings?

[62] Community leader, female, 41–50.

[63] Community leader, female, 31–40.

information barriers detailed in the previous subsection, the research found that frequent changes in the schedules for community meetings at the *suco* level and above made it difficult for even the most diligent community members to attend these meetings. For example, at a district assembly meeting, the original and publicized meeting date was changed in order to accommodate a modification in public servant staffing arrangements, but this change was not coordinated with the LDP timetable. At this meeting, two of the eight voting members were unable to attend. As one would expect, changes in meeting timetables impact more heavily on voting members and community members (who need to travel from their *sucos* to the district headquarters) than on public servants.

Understanding the LDP process

Attendance by community and *suco* council members at local-, subdistrict-, and district-level project meetings is as important for their understanding of the LDP goals and process—and their sense of ownership—as it is for their participation in project selection.[64] An understanding of the process, including the available budget window, project accountability structures, and which projects are eligible for or excluded from funding, likely helps to mitigate feelings of bias in project selection and can assist project implementation. The question of bias is particularly important. Comparatively low levels of trust in "outside" institutions (such as contractors and often civil servants) contributed to community members' presumption of corruption or bias when projects did not meet their expectations.

The research team was continually impressed with the extent of knowledge and engagement of subdistrict- and district-level public servants in the LDP processes. Public servants were universally able to provide detailed descriptions of LDP procedures without referencing any project materials, and were able to produce detailed files with information about past and current LDP projects. However, as expected, there was a disparity in the levels of program knowledge between public servants and *suco* representatives. Respondents explained that their limited understanding of project procedures had led to problems such as incorrect proposal presentation,[65] confusion about monitoring and evaluation procedures,[66] and difficulty in finding the proper channels to express complaints.[67] Disparities in levels of knowledge are likely due in part to the comparatively low levels of education and literacy of the *suco* leaders (of those interviewed, none had education beyond senior high school and several had attended no further than primary school), the extent of regular engagement with the LDP program, and competing pressures on the *chefes*' time.[68] However, this difference may also reflect civil servants'

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[64] Again, though the multitiered system was in place in Aileu and Lautem during field research, under the new LDP model, project prioritization no longer takes place at the subdistrict level.

[65] Community leader, male, 51–60.

[66] Community leader, male, 41–50.

[67] Community leader, male, 41–50.

[68] Time pressures are and will continue to be a limitation of community development projects in Timor-Leste. While earlier reviews of community-driven development efforts have shown that it is essential to actively partner with customary authorities in order to create sustainable and successful projects, *suco* representatives are not part of the official governance structure of Timor-Leste, and receive minimal compensation for their duties. At minimum, it is necessary to emphasize the wider governance goals of the LDP and YDP program processes, so that they are not seen merely as extra burdens.

perspectives on the role of traditional leaders in development, or acknowledgements that awareness of program rules and procedures gives civil servants a degree of power over the distribution of development funds.

LDP attempts to address the disparities in awareness by providing assembly voting members with one week of training on program procedures (in addition to various follow-up trainings). According to a *suco* council member and subdistrict assembly voting member in Lautem district, this training provided valuable information on the "parallelism" voting mechanism (whereby projects are ranked on various criteria such as number of beneficiaries, and each project is then compared to every other project, rather than voted on as a whole), but was insufficient to fully understand the program.[69] Interestingly, she indicated that she took away one lesson that was not part of the official training: how to lobby. As she explained, "the way we get our projects selected is to lobby our colleagues (that is, voting members of other *sucos*) to support our proposal with a promise that we will support them next year."[70] Lobbying as described by this council member is an excellent example of a hybrid rule that grew out of the merger of formal requirements for democratic voting processes with traditional ideas of fairness and exchange.

Given capacity and budget limitations and the challenges of communication and differing decision-making cultures, generating understanding of project development and selection processes is a difficulty confronted by all agencies implementing community development programs in Timor-Leste. The box below further illustrates these challenges, sharing the experiences of youth in Lautem district during the first phase of YDP socialization.

Box 2: Getting to Know YDP

The YDP was first introduced to the youth of an isolated, rural *aldeia* through their CDO in a *suco*-wide meeting organized by the *chefe suco* and *chefe juven* (*suco* youth representative). In discussions held with five youths who attended the meeting, they indicated that the CDO conveyed three main points: the criteria for the kinds of projects allowed under YDP; how to fill in the forms used to make proposals; and the amount of money allocated for projects. The primary information taken away from the meeting by the youths was that YDP funds allocated for the *suco* totaled US$3,000 and could not be used for political, church, or business activities, but must be directed towards projects such as new bridges, sporting fields, and water drainage systems.

However, the youths were not provided with YDP briefing materials for reference and when, in a follow-up meeting in which they presented their project proposals, they were told the *suco* budget had been reduced and many of their projects were thus too large to be considered, they were both disappointed and confused. In the words of one young man, "we wanted to find out why this was the case, we were unhappy about it and not sure whether this was just for our *suco* or for everybody. We wanted to protest and find information, but we are not sure whether the decision was made by the World Bank or if the subdistrict had decided to reduce our share." In this case, the lack of information available to the youths had a detrimental impact on both their confidence in the project and the wider good governance and accountability objectives of the program.

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[69] Community leader, female, 41–50.

[70] This comment was supported by four other *chefes suco* in a total of three subdistricts.

The above example touches on confusion and barriers in the first stage of a project working to engage the youth, who are generally removed from traditional power structures, and reflects the challenges implementing even an effort with a strong focus on participation. However, challenges to participation are not limited just to traditionally disadvantaged groups. Because communication from the state to the local authorities can often be limited, individuals who derive their legitimacy from customary authority rather than through the formal bodies of the state can also be unintentionally excluded.[71] The LDP mechanism is designed such that *suco* council members lead project selection up to and including the district assembly planning and integration stages. However, in practice, public servants who are more knowledgeable regarding program procedures can at times co-opt the voting members' decision-making role. This will be discussed in further detail below.

Participation throughout the project cycle

A final point is noteworthy here. Many *suco* council members and community members desired a strong role for communities in project planning and implementation. While they saw the state as obligated to provide development resources as part of its indebtedness to citizens, community members felt that they held the experience, skills, and local knowledge to more effectively implement programs. LDP and YDP were seen as the development programs most likely to support community-driven initiatives. However, respondents also felt that they were able to make only general proposals, with design, costing, and (largely) contracting activities left to civil servants.

According to community members in each research site, the lack of input after project prioritization negatively impacted the sense of community ownership, inclusion, and eventual design and quality of the projects. As indicated by respondents, small changes in project design (for example, adding a toilet to a market rehabilitation project in Aileu, using a different type of soil in road construction in Lautem, being able to source materials locally rather than through government) could have improved overall project quality. These small details regarding community needs are largely grounded in local knowledge that cannot be easily anticipated by technical staff, who often do not live in the area where a project is being implemented. The box below provides further illustration of the difficulties of ensuring a continuous feedback cycle with communities, and the ways in which this can affect project implementation.

Box 3: External Alterations Bring Discontent

In 2007, an urban *aldeia* received an LDP project to upgrade the small access road linking it with neighboring communities. This project was initially conceived by the *aldeia* and received support from the *suco* through grassroots participation and consensus decision making by local leaders. In the words of the *chefe aldeia*, "we held a meeting with the community, including traditional elders (*lia*

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[71] As of the 2009 elections, *suco* council members are no longer part of the official government structure of Timor-Leste. Instead, they are "community authorities." While they are widely respected as leaders within their communities, the relationship and accountabilities between civil servants and *suco* council members, both now and under the decentralized government, are still largely undefined.

na'in), to plan and agree to the improvement of our road, which extends 1.8 kilometers." Several young men who were eventually employed as laborers on the project also attended the community consultation and expressed their support for prioritizing the road works. However, from this stage onwards decisions over project selection and implementation became more and more removed from the community in which it was first created.

The project as it was first planned by the community underwent many changes as it progressed through the subdistrict assembly to the district assembly, where its design and budget were eventually finalized. Later, the community complained about the overall low quality of the road that was eventually implemented. Many of these complaints can be attributed to the community members' misunderstanding of the final project design. Community members were frustrated that the type of clay used to surface the road was substandard and spread too thinly, that the work covered only 800 meters of the 1.8 km road, that rocks were not used to strengthen the road foundations, and that an old and ineffective "roller" was used to flatten the earth. However, according to senior district public servants and the contracting company, the project was correctly implemented as per the design produced by the district technical staff and agreed to by the assembly. The original wishes of the community to lay a bed of rocks and cover it with 30 cm of high-quality white clay, for example, were deemed by the district to be too expensive for its allocated LDP budget. However, the local population, including the *chefe aldeia*, was not informed of these technical changes, and the completed project did not meet their expectatipns.

At the time the road works were being carried out, several local men who were employed as laborers, together with the *chefe aldeia,* made an appeal t the contractor to improve the project quality. However, the contractor was working in accord with the project design and the funding available and could only say as much to the community. Moreover, while the research team was informed by district public servants that the correct monitoring regime was undertaken for this project, the village monitoring team did not themselves receive direct complaints from the community, and thus did not have the opportunity to respond. From interviews with community beneficiaries, public servants, and the project contractor, it is apparent that a substantial degree of resentment still exists between these parties over two years after project completion.

The case study above provides insights into both the positive aspects of LDP participatory planning and the difficulties in opening and maintaining fluent lines of communication between project actors. The *aldeia* community was highly involved in initial planning, but as the project progressed through higher-level selection and design, it became more distant. As changes were not effectively communicated back to the local level, discontent over project quality grew. Maintaining the feedback loop and continuous community involvement can, as shown, be extremely challenging for local-level development program teams. However, this research also shows that community members and leaders are seeking ways to become more engaged in all aspects of development planning, and their participation can and should be encouraged.

2.5   Findings: Planning at the Assembly Level

In the Local and Youth Development Programs, the assembly planning stage is a key intersection of state and customary systems, and of the state's largesse with the local authorities'

legitimacy.[72] Assembly planning involves project selection led by *suco* or local youth authorities (as representatives of the community), combined with the project planning and budgeting authority of civil servants. These authorities have different skills, with customary authorities arguably having a stronger understanding of local development needs and civil servants bringing technical know-how. These areas of expertise can potentially inform one another and result in improved project design and implementation. However, the relationship between state and nonstate authorities is not always easy. These authorities derive their power from different sources, and the interaction between them at the assembly planning stage—a hybrid state-nonstate mechanism—provides a lens under which to view the emerging and shifting relationship between the two governance structures.

As noted earlier, communities desire a central role in development planning and have expressed a willingness and ability to step in as leaders in local-level development. An understanding of program procedures and one's own role is essential to facilitate this involvement. This was shown in interviews with LDP participants, as most local leaders involved directly in LDP implementation (including both civil servants such as district and subdistrict officials, and elected leaders like *suco* council members) are very receptive to the program and have a firm grasp of their essential responsibilities. This is the case in all research districts and subdistricts. At least one respondent in Lautem district noted that he was pleased that the YDP program was making use of LDP mechanisms, as these were already well understood and easy to follow.[73] Respondents understood LDP procedures and attempted to closely follow the steps and deadlines outlined in the LDP program documents to the best of their understanding.

Limited technical skills for project design

The last point above is an important one. While nearly all respondents who were charged with implementing LDP said they made every effort to comply with program procedures, there were many cases where they lacked either understanding of a procedure or the relevant technical expertise. In interviews with 22 district and subdistrict technical staff, lack of technical expertise, as well as material and human resources, for project planning was overwhelmingly the most common constraint raised, despite technical trainings and the availability of project funds for technical assistance to design and cost projects. A member of the Lautem district administration responsible for technical aspects of LDP project design and monitoring stated that his work was hindered by having only two other technical staff for support, with one computer and one motorbike between the three of them.[74] The same respondent also acknowledged that he and his staff lacked adequate expertise in the use of the architectural software needed to produce high-quality program designs (AutoCAD). Similarly, a civil servant in Aileu district indicated that he was working in two subdistricts because of staff shortages, and that he drew project designs by hand because he did not have experience with AutoCAD and did not have regular computer access.[75]

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[72] We recognize, however, that in many cases, there is overlap between those with customary authority and legitimacy at the local level, and civil servants with state authority at the national and subnational levels.
[73] Community leader, male, 41–50.
[74] Civil servant, male, 41–50.
[75] Civil servant, male, 31–40.

Contractors also noted the difficulties in project implementation caused by low-quality designs. Of the nine company directors interviewed, eight expressed concern over the quality of project designs. Several noted that insufficient or inaccurate designs made project budgeting difficult and caused problems when the expectations of community members were not met due to these inadequacies in the design stage. However, each director also noted that there were ways design flaws could be improved during implementation. First, during tendering, companies are given access to the architectural design and are required to make a site visit in order to produce their own cost estimate; they also hold discussions with the subdistrict or district technical teams. Company directors stated that they use—if necessary—this period of interaction to informally make suggestions for design improvement.

Directors also stated that if needed, they would make improvements in the course of construction. For example, a contractor on a school construction project in Lautem district upgraded the type of door lock called for in the original designs after deeming the prescribed locks unfit. One company director expressed this situation succinctly: "the [original] design is one way, but when it comes to implementation we (re)build with changes that do not accord with the design."[76] This is obviously not an ideal situation, however. Contractors in both Lautem and Aileu districts complained that after construction began, they would often receive requests from community members or government officials to make improvements to the original design. They were then faced with a situation where they could either refuse to respond (thus risking complaints about the quality of their work) or make the requested changes, thereby reducing their profits or using the 10 percent of funds set aside for project maintenance. In the case below, these challenges are illustrated.

Box 4: Planning for Reforestation

An LDP project to reforest a small tract of land with large trees to provide better shading for coffee crops has its origins in a non-LDP District Agriculture Department project carried out in 2007. This incarnation of the project was cancelled before completion without clear reason, and several local workers were left without their owed wages. The Agriculture Department then sought funding through LDP, and eventually the project was continued in 2008. When the project went to tender, no company was interested because, with a small budget of US$5691, the contracted company was also obligated to fulfill the wages of the previous workers and, what is more, implement the project on infertile soil in the dry season.

Eventually, a small company took on the project and asked if the project timing could be changed to the wet season so that the planted seedlings would have a greater chance of successful growth. This request, however, was not granted. A local resident who makes use of the project area for his garden stated that most of the seedlings planted have already died, not only because of incorrect timing but also because the tree species was not suited to the soil type. To further add to the contractor's troubles, the project design (in particular, the map showing the project area) was imprecise and the contractor could not accurately assess the extent of the project area and the volume of seedlings required.

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[76] Contractor/company director, male, 51–60.

After project completion, the district administration informed the contractor that he needed a letter of certification from the *suco* before his final payment could be approved. When this was produced he was asked to obtain a further letter of certification from the Agriculture Department. Finally, after acquiring this document, the contractor was instructed to construct a fence around the project area, even though this was not part of the original project design. While the contractor maintains that he has finished the job to the best of his ability, the 10 percent maintenance payment was withheld.

The constraints described above are unsurprising, and represent the challenges of working in a resource-constrained, postconflict state. While building up technical and administrative capacities is a long-term task and falls largely outside of the LDP and YDP program goals, they are highlighted here to bring to light the need for continued investment in training and technical expertise at the local level in order to facilitate the design of more complex projects—particularly as community preferences and budget increases lead to the implementation of larger projects.

Difficulties with costing projects

A 2009 Lautem District Integration Workshop (DIW), the first to include both LDP and YDP projects, provided an example of the challenge of inexperience with project design and costing. One *chefe suco* noted that youth had proposed projects with little idea of how much they would cost, and these projects had been approved by the *suco* councils and verification and appraisal teams (VATs) without proper verification. He expressed concern that youth might become angry or disenchanted if these projects were found to be much more expensive than expected to implement, and were dropped or replaced with other projects late in the project cycle. While there is no evidence that this has actually occurred within a YDP project, and YDP communication systems are designed to identify and address such concerns, *Justice for the Poor* research has found that many of the disputes arising from community development programs in Timor-Leste result in large part from a misunderstanding by communities of what can be achieved with a limited budget.

Constraints caused by staffing

According to interviews with district-level staff, the same individuals often act on both the LDP Project Implementation Committee (PIC) and the VAT due to a lack of adequate administrative staff at the subdistrict level.[77] Indeed, in many places a single person has dual positions within the local civil service (such as simultaneously acting as subdistrict administrator and CDO), compounding further their workload and cross-committee responsibilities. While not expressly prohibited under LDP rules, this practice has the potential to undermine horizontal administrative accountability, as VAT members have little incentive to sanction low-quality work occasioned by planning ambiguities that developed during their PIC activities.

Further, as discussed briefly in the introduction to this subsection, evidence from previous work in Timor-Leste indicates that *suco*-level authorities are often chosen based on traditional power structures and ritual authority, rather than administrative or technical expertise.[78] Levels of

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[77] For more detail on the role of VATs and PICs, please see Annex 3.
[78] For more information, please see "Local Social and Political Systems" in section 1.

literacy and numeracy of *suco* leaders are often quite low. Where this is the case, *suco* authorities may be ill-prepared to perform the extensive monitoring activities required under the project (including oversight of planning and budget implementation as part of the subdistrict assembly and oversight of local community contracting). Given the importance of community leaders as conduits and managers of local development, it will be interesting to see whether future *suco* council elections yield leaders from outside traditional power structures who possess more of the skills and experience that facilitate engagement with the state around local development.

Project prioritization and verification

A final point on the LDP process at the assembly level bears mentioning: the process of project verification and prioritization. In the three project meetings observed by the research team, the assembly members' discussion of projects was limited by a lack of basic information such as the number of beneficiaries.[79] In one case, projects were presented with a short description only (that is, primary school rehabilitation in *suco* X), and in another, descriptions were supplemented only by information on project budgets. Where projects had been rejected on technical grounds during the verification process, no information was given on the reasoning behind these decisions.[80] Instead, discussion focused on procedural issues related to voting on the remaining projects. The process raises concerns that verification could be used by civil servants as a tool for taking project selection decisions away from voting members. That said, no respondents indicated concern with this process during interviews.

Again, these capacity constraints at the subnational level are to be expected in a new state. Arguably, these limitations also support a more prominent role for community members, who can step in to fill some of the gaps in civil service time and capacity. While they would no doubt need substantial investment in training in order to take on some technical aspects of the program, an investment in building community capacities could have the dual benefit of empowering communities and relieving some of the burden on overloaded civil servants.

2.6 Findings: Project Implementation

The project implementation stage of LDP provides another interesting view into the relationship between authorities with different levels of information, power, and legitimacy. In addition to civil servants and *suco* authorities, this project stage often involves relationships with contractors. Customary decision-making and dispute-resolution norms, as well as ideas of local identity and localized project benefits, are particularly visible. Successful project implementation is also dependent on consultations with communities throughout the project; adequate project verification, design, and costing; effective and transparent tendering processes; and high-quality

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[79] The meetings in question were district integration workshops and a district planning meeting in Lautem, Aileu, and Bobonaro.

[80] At one district assembly meeting attended by the J4P researchers, only six of eight voting members were in attendance, along with 21 public servants from the district and subdistrict levels. The district development officer stated that of the eight projects eligible for selection, only four could be considered technically feasible; however, no further explanation was provided. Although some dissension was voiced by other public servants, ultimately the vote was cast under further direction from the district technical officers that only two particular projects could be selected because of budgetary constraints.

labor performed under the watchful eye of a strong project monitoring and evaluation team. Thus, it is unsurprising that project implementation proves to be the most challenging stage of the LDP project cycle.

Project tender process

Local development programs can use various tendering models for project implementation. The YDP program, in keeping with its relatively small budget and preference for highly localized program management, uses a local community contracting model—the preferred model for communities. Under LDP, most projects at the subdistrict level and all district-level projects are awarded through a public tender process. Qualified contractors submit bids for projects after completing a site assessment together with PIC staff, and the contract is awarded to the contractor (or community contracting group) with the lowest cost estimate within a prespecified range. On the surface, this process generates competition, with the market dictating that projects will be awarded to firms that are both efficient (thereby allowing for lower cost estimates than competitors) and reasonable in their cost estimates (by not creating a bid so low as to be unable to cover project costs).

While this approach may prove effective in most cases, four key concerns in the tendering process were identified: overly-complicated processes, limited sanctions for underperforming contractors, the potential for fraud in the tendering process, and reliance on cost estimates supplied by technical staff.

First, several respondents characterized the LDP tender processes and documents as complicated in relation to the administrative expertise of local companies. LDP project documents indicate, and interviews with respondents confirm, that tenders for subdistrict-level projects were often rejected on administrative grounds, rather than with reference to the quality of the contractor's past work. According to respondents, most contracts were won by larger, district-wide companies with greater administrative capacity, but (per respondents' impressions) less local legitimacy. Communities in Timor-Leste favor "localizing" the implementation of projects as much as possible through use of local contractors and labor. In this way, wealth distribution is internal to the community and, according to respondents, project success is better ensured because of local (which in this context is implicitly synonymous with meaningful) social sanction of poor quality work. The case below demonstrates this preference for contractors with close ties to the community.

Box 5: A Preference for Local Contractors

In an Aileu *suco*, the local community members were unsatisfied with the work and behavior of a company contracted to improve two water tanks and replace 163 lengths of pipe that would provide water to many private houses and local schools. Even after being recalled to improve on their original work, ultimately the company replaced only 25 pipes and repaired the tanks with small cement patches and paint. While some houses now receive water, the schools are yet to feel any benefit.

The *chefe suco* explained that the contractor should have been chosen from companies originating from the subdistrict. However, because LDP was in its first year in Aileu, the tendering process had been conducted via the district, and the winning company had no strong connections to the project

area. The subdistrict CDO expressed his difficulty in properly undertaking his monitoring and evaluation responsibilities, and when flaws in the work were discovered, the company was nowhere to be seen. Local accountability measures and social sanctions, which can often substitute for weaknesses in formal systems, were less effective because of the company's lack of strong community ties.

Eventually the CDO could only effect postproject sanctions on the company, stating "we chased them but could only notify them that they improve their work in September, even though the project should have been finished by March … [and because of this] … they can certainly still apply for tenders, but we are not going to give them any more projects."

Second, in Aileu district in particular, respondents (including *chefes suco*, beneficiaries, and company representatives) expressed frustration that contracts were granted to contractors who consistently performed low-quality work. Though one VAT member in Aileu insisted that "we take into consideration the quality of previous work from the contractor during the next round of tendering,"[81] in one project site in Aileu, four separate respondents alleged that a company with a history of unsatisfactory work had repeatedly been awarded contracts on the basis of connections to program powerbrokers.

The role of interpersonal relationships in project tendering was a consistent theme in interviews. In both districts, respondents perceived that local government officials had links to contractors through family or resistance ties, and that these ties prejudiced the award of tenders and the proper monitoring and evaluation of projects.[82] This point has obvious connections to the third concern raised by respondents, namely, allegations of fraud within the tendering process. One former public servant, three contractors, and three *chefes suco* directly stated that projects were awarded based on collusion, and other respondents pointed to discrepancies in project tendering. As one respondent in Lautem district explained, a civil servant can easily ensure that a favored contractor wins a project by leaking information about the project's estimated budget, allowing the contractor to place a bid that is precisely at the bottom of the project's range.[83]

Finally, while not specifically raised by respondents, the reliance of the tender process on budget estimates prepared by technical staff who, by their own admission, are unprepared to perform adequate technical evaluation, is potentially problematic. Contractors likely have a more clear idea of the cost of project inputs and labor than do district or subdistrict staff. The current tender model, which rewards contractors who closely match the budget prepared by the VAT, may thus increase inefficiencies and result in the awarding of contracts to firms that are not best placed to provide the required services.

Use of community labor

As explained in the first section of this report, community members see community development programs as most valuable when they bring both long-term infrastructure improvement and the

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[81] Civil servant, male, 31–40.
[82] While this was a commonly held perception, these statements were not verified by the J4P team.
[83] Contractor/company director, male, 41–50.

financial benefits provided by using local labor. This is consistent with the localized identities prevalent in Timorese society. This point is reflected in the statement of one civil servant in Aileu district, who argued that communities will find the LDP untenable if most of the project profits go to contractors who originate from outside the target communities: "it is not at the stage where LDP can be sustainable … investment which comes from the national level only gives benefit to the companies."[84]

Recognizing the importance of using local labor to bring support and legitimacy, contractors in each project site used laborers from the surrounding communities, often after consultations with *suco* leaders to identify appropriate workers. This practice recognizes the authority and local knowledge of customary decision makers, though of course it is also open to bias and misuse. Given the lack of job opportunities in most rural communities, positions as paid laborers on community projects are coveted. Though mostly recognized as an important benefit of LDP, there were occasions when competition for project employment and perceived unequal distribution of labor between *suco* or *aldeia* led to tensions between individuals or communities.

While contracted community labor was used under LDP, findings from our field work on the TIM Works cash-for-work program help to illustrate the advantages and disadvantages of using labor from project communities.

Box 6: Turning Cooperation into Competition: Experiences from a Road Maintenance Program

A maintenance project to improve a road in the heartland of Mambai traditional culture, where customary clan affiliation and political identity are strong, first triggered a novel expression of cooperation and then transformed it into competition. While the original project design—told to the *chefe suco* and *chefes aldeia* at a district meeting—required 20 full-time workers for five months, eventually a decision was made by the local parties to employ 100 workers over the same time period. In order to share employment between the five *aldeia* through which the road project would run, it was agreed that work would proceed in each *aldeia* for one month and that each *aldeia* would provide 20 workers for work conducted *only* in their own *aldeia*.

However, after the project had begun in one *aldeia*, the team changed the original direction of the project after discovering that the roadway initially slated for maintenance included two small bridges that could not be budgeted for. Thus, the project was redirected away from the road servicing all five *aldeia* onto a road that services only two. Through unclear communication between project staff and local actors, the *aldeia* that would now miss out mistakenly understood that while the change was necessary, the project would eventually continue into their communities. By the time of our research, the redesigned project had been completed and tensions between *aldeia* were rising. Although the members of nonbeneficiary *aldeia* did not begrudge the others their opportunity for work, they were increasingly concerned that the project would not return and they would miss out altogether.

The case above exemplifies the ethos of cooperation between *aldeia* and the potential breakdown of such cooperation if changes to project design are not effectively communicated. The initial

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[84] In Tetum, "ne'e seidauk too katak PDL ne'e iha sustenbabilidade…investimento nebee mak husi nasional fó barak liu ba kompania." Civil servant, male, 31–40.

division of labor between five *aldeia* was understood by all local parties as a legitimate way to share the benefits of the project according to distinct *aldeia* community affiliation. However, when the project design was changed to involve only two *aldeia,* those who benefited were unwilling to relinquish their locally legitimate right to exclusively provide workers for activities in their own *aldeia*. The tensions were further compounded by the lack of fluent communication about the change from project staff and, importantly, from the project's local representatives on-site. Indeed, the understanding of nonbeneficiaries that the project would eventually continue to their *aldeia* was actively encouraged by the beneficiary *aldeia* in order to conciliate nonbeneficiary *aldeia* while justifying their own use of "internal" labor.

Quality of work

Most complaints about LDP projects originating from community members related to the quality of work performed by contractors, including the use of low-quality materials, poor construction methods, and under-payment of local labor. Eight of the case studies of already-implemented LDP projects were characterized as poor quality by the beneficiaries interviewed. Of the two remaining projects, one was executed using local community contracting and the other was regarded by respondents as high quality but "incomplete" due to the failure to include toilet facilities.

In response to accusations of low-quality work, contractors cited extenuating circumstances such as poor quality of the project design, difficulties encountered in transporting material to remote locations, theft from the building sites, and the challenges of working with unskilled community labor. Further, two of the contractors interviewed for this report indicated that the time lag of several months between submission of a tender application and the start of construction allowed for material prices to change, adversely affecting the buying power of the project budget. Problems with project timing were also cited by a contractor who implemented a reforestation project, for which he was required to begin planting at an unsuitable time of year, causing many of the seedlings to die (see box 4).

While respondents provided contradictory information as to the source of problems with project quality, it is clear that community members, public servants, and contractors at each site are aware of cases of community dissatisfaction with projects. The next subsection addresses the project monitoring activities that are in place to prevent and address these problems.

Project monitoring

Responsibility for monitoring and evaluating the work of contractors is divided between public officials (VAT members) and a monitoring body established within the local community (the Local Supervision Committee, or LSC). However, data from field research suggest that monitoring activities are not always performed per LDP specifications. Respondents indicated that project monitoring is hindered by a: (1) lack of means, (2) lack of knowledge, and (3) lack of motivation.

On the first point, of the 17 public servants interviewed during this research who have served as VAT members, 11 cited transportation costs, time constraints, and distance from project sites as

factors limiting their ability to undertake regular project monitoring. VAT members understand their monitoring duties, and according to senior public servants in both research districts, the VATs meet weekly to discuss projects. However, site visits and consultations with contractors and beneficiaries were more limited, making it difficult to both identify and respond to quality issues. As explained by a VAT member in Lautem district, "the verification team must be there to see if the work is in accord or not with the project design, so that if it isn't we can immediately order changes, but if the problem has already been going on for a long time there is really nothing we can do."[85] The respondent admitted that monitoring was often ineffective, pointing to a lack of transportation as a key limitation. As with some of the difficulties discussed earlier, this is not a limitation stemming from LDP procedures, but is rather a challenge of working in a new state with limited capacity.

A second factor that may limit the effectiveness of project monitoring is a lack of knowledge about the division of monitoring and evaluation (M&E) responsibilities. Of the 28 community leaders interviewed over the course of field research, all spoke of the responsibilities of civil servants in project monitoring, but their knowledge of the specific roles of the civil servants was much more limited. For example, in the eight LDP case studies where issues of project quality arose, *chefe suco* or *chefe aldeia* exhibited confusion over the extent to which they or subdistrict/district staff should be holding the contractor to account. Local monitoring was either undertaken independently by the *chefe suco*, or not carried out at all. In one case where local monitoring was well organized, the project was implemented by a local contractor and, as such, monitoring from the civil service was not expected. This reflects the understanding of communities and leaders that customary authorities are best equipped to manage activities that fall within the local realm.

Finally, some respondents indicated that project monitoring may suffer from a lack of motivation on the part of public servants. These respondents noted that if public servants had relationships with the contractors or had participated in collusion in the awarding of contracts, they would have little incentive to actively monitor the projects and sanction contractors for any poor performance. The research team did not find or seek information indicating collusion between public servants and contractors. This point is included to illustrate that rumors or allegations of corruption crop up quickly and frequently at the local level, as a result of a lack of information and distrust of government officials and others outside the community.

2.7 Summary and Suggestions

Rural communities in Timor-Leste are characterized by highly localized identities, strong and largely hierarchical traditional governance structures, and high expectations for a burgeoning state. The formal state, while expanding in both presence and impact, is still establishing its legitimacy. It is also developing new relationships with citizens, both directly and through their elected community leaders. This context, and the extent to which the government is able and willing to respond to it, will impact on the ways that participatory development and local governance efforts are understood and implemented by Timorese communities. At the same

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[85] Civil servant, male, 41–50.

time, the way the state chooses to distribute development resources and deliver public services will play an important role in establishing legitimacy in state building at the local level.

When this study was launched, LDP was on the way to being scaled up as a national model for community development. Draft laws on decentralization that devolved authority in a staged manner to subnational governments and promoted a degree of community participation in local development appeared set to be passed by the National Assembly.

In the time that has passed since, the trend towards devolution and bottom-up planning has stalled. The decentralization laws remain on hold. While LDP continues as a major program of the government, it has largely been superseded in scope by the Referendum Package and Decentralized Development Program (PDD). Much larger in scale, these new programs reflect a major shift in thinking to centralized authority and private sector-led development.

This research did not assess the PDD or the Referendum Package, but the findings suggest that a centralized, top-down approach to local development may well have advantages in terms of speed and scale, but is less likely to achieve state-building aims or enhance the legitimacy of the national government at a time when this is important for sustainable stability in Timor-Leste. The government will need to think carefully about the balance it strikes between these two very different models.

Through a combination of anthropological analysis and a review of the LDP, YDP, and TIM Works programs, this paper suggests that participatory approaches to development are well matched to both the social realities of Timor-Leste and global thinking on state building in fragile contexts.[86]

The core conclusions of the research are that local development efforts must be strongly community driven and community owned. Furthermore, the extent to which state authorities and local development actors will achieve both their development goals and wider legitimacy is directly correlated with their willingness to engage productively with customary systems of authority.

From ownership and participation to monitoring and dispute resolution, "traditional" social organization and power structures are evident throughout the LDP program cycle. These cultural factors can determine the amount and content of information given to community members, which community projects are prioritized, who participates in community labor, and whether projects are monitored and maintained. The program structures set up "hybrid" governance arrangements that bring local government and communities together, promoting productive state-society interactions.

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[86] Recently released guidelines from the Organisation for Co-operation and Development (OECD) on state building in fragile contexts, for instance, emphasize the following key principles: support local conflict management mechanisms; promote more inclusive political settlements; support processes to strengthen state-society interaction; and avoid reinforcing discrimination. See OECD (2011).

The impact of locally produced values and governance structures extends beyond the implementation of individual programs. In new states such as Timor-Leste, where identities are often shaped more by allegiance to an origin group or resistance relationship than to a wider sense of national identity, and where development challenges persist and competition between groups for scarce resources can flare, a state seeking to extend its reach must recognize that it is not reaching into a void. As with development programs, the ways in which the state is understood, valued, and integrated into community life depend in large part on the willingness of policy makers to work constructively with local institutions.

While the nature of local development approaches and state-society interaction in Timor-Leste remains fluid, the government's continued funding for participatory programs such as LDP is a positive indicator that it acknowledges the importance of local communities and institutions. Development planners within government are engaged in discussions of how to create more streamlined development planning procedures without compromising consultation and participation. They are seeking more effective ways of receiving and responding to community feedback, both to prevent disputes and to increase the accountability of local development. They are also actively pursuing input on ways to design more effective and inclusive development programs. It is hoped that the analysis and recommendations provided in the preceding pages can help the GoTL and local development actors more broadly to build constructive, participatory, and responsive relationships with citizens to support the dual goals of state building and local development.

The table below lays out some operational suggestions for the consideration of LDP and YPD teams, based on the research findings.

Suggestions for LDP and YDP Teams

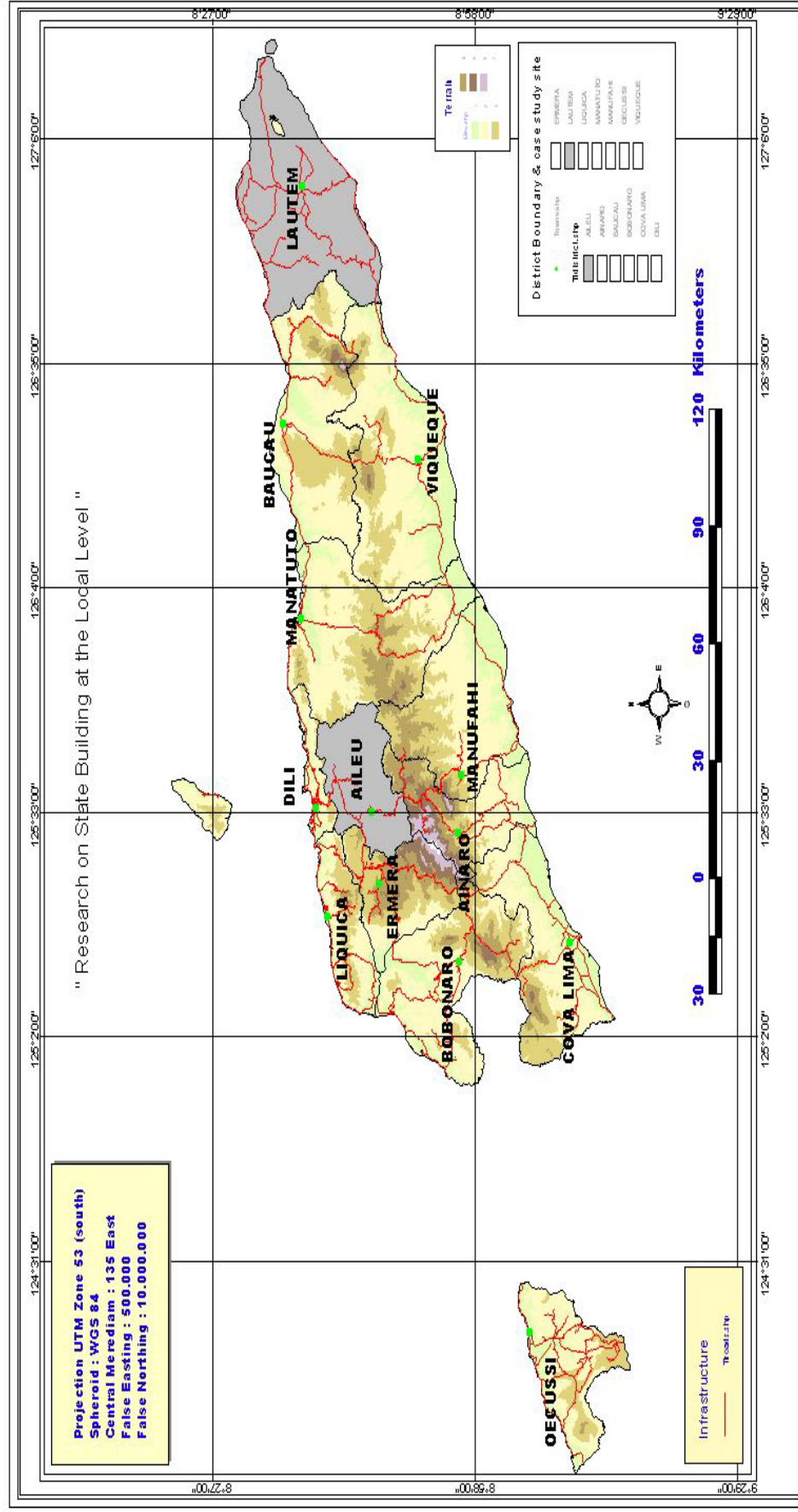| Socialization	
Local Development Programme	Youth Development Program
▪ Provide additional detail on project information boards, including specific information about the contractor, technical specifications, budget, and who to contact in case of questions, as well as general information about the purpose of the project. Where possible, a visual representation of the project could be included to provide information to those community members who are unable to read. ▪ Develop individual communication plans for each district and, if possible, subdistrict. These could include a wide variety of socialization tools, including socialization at nonofficial public gathering places (for example, markets, cockfights, sporting events, churches, schools, clinics), more creative and visual media (such as comic books), expanded use of community radio, short message service, and other nonprint	▪ Ensure that the name and contact information for the Youth-Community Implementation Committee (Y-CIC) leader is indicated on the sign board, along with information about the technical specifications, budget, and so on. Where possible, a visual representation of the project could be included to provide information to those community members who are unable to read. ▪ Enhance the role of civil society organizations (CSOs) in the project. Ensure that the youth facilitator, *suco* youth representative, or other appropriate staff shares information about projects, upcoming decision-making meetings, and so forth, with local CSOs, and encourage them to work with local youth to develop project proposals. ▪ As additional YDP districts are added, youth

	facilitators and Y-CIC leaders from Lautem and Bobonaro, as well as LDP staff, could be invited to share experiences and advice.
- Encourage joint socialization activities between YDP and LDP, focusing on good governance objectives in addition to process.	- Encourage joint socialization activities between YDP and LDP, focusing on good governance objectives in addition to process.
- Actively encourage women's participation in the LDP and YDP processes. Where possible, work with ongoing projects in the districts that target capacity building for women. Recognize that the quality of facilitation is key.	- Actively encourage women's participation in the YDP process. Where possible, work with ongoing projects in the districts that target capacity building for women.
- Widely publicize the amount of LDP funding available each year and the amount and content of past projects, as well as related information to increase project transparency. In addition to publishing through the visual media, radio, and other sources as suggested above, share this information through civil society organizations.	

Participatory Planning and Prioritization	
Local Development Programme	Youth Development Program
- When possible, LDP and YDP could support a joint learning program for youth facilitators and *suco* council members, where they can share strategies for effective meeting facilitation. LDP might also consider inviting youth facilitators to assist at LDP project selection meetings.	- Additional trainings could be provided for *suco*-level officials, focusing on those aspects of YDP program purpose, design, and implementation that differ from LDP (such as voting mechanisms).
- Socialization efforts could emphasize the wider governance and inclusive development goals of the program.	- When possible, YDP could support a joint learning program for youth facilitators and *suco* council members, where they can share strategies for effective meeting facilitation.
- Consider incorporating a "visioning exercise" prior to project identification and prioritization, to allow communities more time to identify priority needs.	- To better detect and prevent co-optation of the selection process, participants could be provided with basic questionnaires at the start of prioritization meetings, in which they identify their priority areas for YDP funding (for example, employment generation activities, musical equipment, and so on). These forms can then be collected by youth facilitators and compared against the nominated projects. These forms could provide useful data for the YDP M&E systems.
- Link project prioritization to mid-term planning processes.	
- Consider incorporating a consultation and project prioritization stage at the *aldeia* level, similar to that held under YDP. Particularly in remote areas, the *chefe aldeia* may be physically closer to the population and will likely have more interactions with community members on a day-to-day basis. By encouraging a round of project prioritization at the *aldeia* level, LDP could potentially increase awareness and engagement at the local level.	- Encourage youth to submit joint proposals with neighboring *aldeia* and *suco*.
	- Project informational materials, including simplified manuals, could be left with youth leaders. Information such as available budget and budget changes could be communicated immediately.
- To increase the participation of women, the project could consider holding female-only preliminary meetings in advance of the *aldeia-*	- Consider supporting annual meetings at the close of the project cycle, where civil servants,

and *suco*-level project prioritization meetings, to allow women more time to develop and share ideas in a less formal setting. These meetings could be held at convenient times, and women could be encouraged to bring their children. Where possible, these meetings should include short skills-building sessions that prepare women to participate actively in mixed-gender meetings.
- Consider supporting annual meetings at the close of the project cycle, where civil servants, program staff, *suco* representatives, civil society, and community members can compare experiences, strategies, and advice.
- Work with organizations that have a women's empowerment focus on designing more effective strategies for engaging women.
- Encourage the integration of project identification and planning discussions (as well as socialization) into existing structures of community joint action, such as meetings of school committees, health center groups, and agricultural/craft cooperatives. In particular, leveraging habitual collaborative forums in which women have an established presence and authority can promote female participation in the wider LDP process. For example, collectives could appoint representatives to advocate their priorities at official project selection meetings.
- Ensure that project training moves beyond technical aspects of the program (such as steps in the project cycle) to include more civic education activities, an emphasis on demand for good governance, and the goal of inclusive development. Training modules could be specifically tailored to *chefe suco* and other council members that recognize their key position as intermediaries between community and state.

program staff, youth representatives, civil society, and community members can compare experiences, strategies, and advice.
- Work with organizations that have a women's empowerment focus on designing more effective strategies for engaging women.
- Encourage the integration of project identification and planning discussions (as well as socialization) into existing structures of community joint action, such as meetings of school committees, health center groups, and agricultural/craft cooperatives. In particular, leveraging habitual collaborative forums in which women have an established presence and authority can promote female participation in the wider YDP process. For example, collectives can appoint representatives to advocate their priorities at official project selection meetings.
- Training of youth facilitators and public servants could include instruction in techniques for negotiating local political contexts.

Planning at the Assembly Level	
Local Development Programme	Youth Development Program
- YDP has taken several important steps to improve the transparency of the verification process, among them (i) requiring the participation of Y-CIC members on the VAT teams and (ii) allowing an opportunity in the VAT process for youth to edit proposals found to be technically unsound. The LDP team	- Training on project design and costing, for both youth and district technical staff, would be useful to ensure effective project planning. Training might also provide youth with a skill set that could enable them to participate more actively in planning and implementing LDP projects.

Local Development Programme	Youth Development Program
might consider implementing similar measures. ▪ Training on project design and costing would be useful to ensure effective project planning. ▪ The addition of a process for contractors and community members to submit formal feedback on project design prior to completion of tenders could prevent some of the common complaints on quality of materials and suitability of project design from arising. While these discussions are happening informally as contractors conduct their site visits, a formal process would allow for community perspectives to be integrated. ▪ When presenting findings from the verification and appraisal process, the PIC could provide a short summary document outlining the rationale behind the rejection of any projects. Additionally, PICs could be required to present voting members with information on each project to include data on each criterion on which these projects are evaluated against (for example, budget, number of beneficiaries). ▪ At the subdistrict level, engaging civil society in the VAT and PIC teams may help to address staff shortages and further increase participation and transparency. Civil society engagement is most effective when it takes place throughout all stages of the project cycle. ▪ If finances allow, random independent evaluations/audits of projects could help to identify and address potential problems.	▪ YDP management could consider conducting regular assessments of cost proposals and final cost of youth projects for comparative purposes. These findings could be widely published, using a variety of methods such as those described in the above section entitled "Findings: Program Communication and Socialization," as part of wider transparency efforts. ▪ If finances allow, random independent evaluations/audits of projects could help to identify and address potential problems.

Project Implementation	
Local Development Programme	Youth Development Program
▪ The various challenges in implementation, including perceptions of favoritism in the award of contracts, barriers to horizontal accountability, and allegations of poor quality work by contractors, are a strong indicator of the need for clear, adequately funded, and broadly disseminated grievance procedures within both LDP and YDP. Grievance procedures could be developed in consultation with project staff, civil servants, and community members, and should incorporate elements of customary and formal dispute management and resolution. ▪ Consider putting in place a contractor quality assessment or ranking system, where the quality of construction (and contractors) is	▪ Grievance procedures could be developed in consultation with project staff, civil servants, and community members, and could incorporate elements of customary and formal dispute management and resolution. ▪ The YDP program requires that Y-CIC members be from the *aldeias* in which a project is implemented. However, field research has shown that this localization of participation can lead to feelings of exclusion in those from neighboring *aldeia*. Particularly in cases where projects are combined after voting and then implemented in a sole *aldeia*, this process could lead to unhealthy competition among youth. While further discussion is necessary, the team preliminarily

rated based on M&E and community feedback. Contractors who consistently score poorly could be excluded from bidding.

- Give preference to small local companies to better compete against larger central companies for contracts in their area.
- If local contractors cannot be used, ensure that the planned activities of external contractors are well publicized.
- Ensure that a hand-over ceremony is conducted, especially when external contractors are used. Such ceremonies are a locally legitimate method of accountability that are, in effect, a public guarantee by contractors of the quality of their work.
- Encourage contractors to source building material in the project *suco* when possible.
- Ensure that ritual sanctification of projects, when desired by communities, is facilitated clearly. For example, a category on "ritual requirements" or "historical significance of the land" could be added to the basic Project Description submitted by communities, and the costing for appropriate (and largely modest) ritual activities could be included in the project budget.
- Social audits and/or self-evaluation might prove useful in improving the quality of participatory monitoring and evaluation measures. The role of civil society in oversight could also be enhanced.
- While LDP is implemented according to a yearly project cycle, project staff might consider authorizing short delays in project implementation in circumstances where these delays could improve project quality. Such circumstances might include delays to match the planting season, avoiding work during the rainy season, and so forth.

recommends expansion of the Y-CIC to include members from each *aldeia* in the *suco*. If possible, youth from each *aldeia* could also take part in construction, training, and other project activities.

- Social audits and/or self-evaluation might prove useful in improving the quality of participatory monitoring and evaluation measures. The role of civil society in oversight could also be enhanced.
- While LDP and YDP are implemented according to a yearly project cycle, project staff might consider authorizing short delays in project implementation in circumstances where these delays could improve project quality. Such circumstances might include delays to match the planting season, avoiding work during the rainy season, and so forth.
- Ensure that ritual sanctification of projects, when desired by communities, is facilitated clearly.

Annex I: Map of Timor-Leste

"Research on State Building at the Local Level"

Annex 2: Methodology

Purpose of the Research

This research activity is part of a larger project entitled "Social Accountability in Participatory Transfer and Grant Programs," a partnership between the World Bank's Social Development unit (SDV) and the *Justice for the Poor* (J4P) program. The research program was designed to examine the issues of access and accountability in the use of state and nonstate resources, and research questions focused on local concepts of ownership, rights, and entitlements; strategies for accessing and claiming entitlements; and community dispute-resolution mechanisms. In particular, the research activities considered how political and cultural realities in the periphery impacted on the way state resources are managed and distributed in communities.

The United Nations Capital Development Fund/Timor-Leste Ministry of State Administration and Territorial Management (UNCDF/MSATM) Local Development Programme (LDP) was used as the primary case study. The team also briefly examined the International Labour Organization/(Timor-Leste) Secretary of State for the Promotion of Employment (ILO/SEFOPE) TIM Works program and the MSATM Youth Development Program (YDP), which use many LDP mechanisms but are primarily focused on youth-supported development priorities. Each of these programs seeks to improve livelihoods through small, participatory infrastructure projects, though the mechanisms are different.[87] LDP in particular emphasized participatory development and has instituted democratic decision-making bodies (assemblies) at subdistrict and district levels,[88] which authorize *suco* representatives to help plan, choose, and implement projects (a practice that will continue through municipal block grants under decentralization). Primary research into these programs *in practice*, as well as a review of anthropological literature, will contribute to the J4P program's focus on processes of state building at the local level, and will also inform several World Bank-supported development programs[89] and the Timor-Leste government's decentralization efforts.

Data Sources

As noted above, this research concerns questions of process—that is, a focus on *how* and *why* certain pathways are followed and outcomes occur during program implementation, and in particular, the influence of customary values on the choice of pathways. There is no hard and fast rule for determining the extent of the influence of customary values and historical events on the decision making of particular individuals. However, while ultimately each actor's decision making is individual and subjective, it occurs within a cultural and historical context that can be analyzed to understand the constraints and potentialities of subjective actions. Qualitative research, including qualitative research that underpins quantitative measurement (such as survey

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[87] For more information on LDP, please visit: www.estatal.gov.tl. Information on the TIM Works program can be accessed on: http://www.ilo.org/asia/info/lang--en/WCMS_100842/index.htm.

[88] Under the original LDP model implemented in the districts studied by J4P, assemblies were active at both the district and subdistrict levels. In keeping with a revised model for decentralization, under which functions will be consolidated in municipalities, new LDP districts have implemented assemblies solely at the district level.

[89] These include the recently launched YDP and potential community-driven development activities.

questions that inform statistical analysis), taps into the subjective reality of individuals by seeking to understand their context of action. In this way, the qualitative research methodology used for this research is directed towards understanding the subjective reality of individuals by seeking to comprehend their context of action.

To achieve this end, field research was conducted for a combined total of eight weeks using *in situ* (that is, respondent houses, villages, project sites) free-discussion and semi-structured interview techniques with over 150 respondents. Qualitative research was supplemented by an analysis of existing program data (including past monitoring and evaluation reports) and a review of relevant literature on a number of topics, including local-level decision-making, state formation, and community-driven development. Past surveys, such as the extended Timor-Leste Survey of Living Standards (TLSLSx)[90] and the GRM/Asia Foundation survey on Citizen Perceptions of Law and Justice (Everett 2009), also proved useful in providing background on access to information, trust, and decision making in Timor-Leste.

Research Design

Partnerships

Research activities were conducted through a number of partnerships, both internal and external. Within the World Bank, the J4P team worked closely with the SDV, which brings a wealth of experience in the areas of social accountability and community development. As indicated above, findings from field research will also feed into the YDP, which is supported by SDV. Externally, the program maintained close contact with the ILO/SEFOPE TIM Works team and the MSATM, the latter of which is home to the LDP and leads the government's planned decentralization efforts. Finally, in conducting research for this project, J4P partnered with Luta Hamutuk, a Timorese nongovernmental organization (NGO) specializing in research and advocacy on economic justice.

Research training and implementation

The research team consisted of four national researchers with local language capacities, supported by two international research coordinators and a program assistant. The team was provided with two weeks of classroom and practical training on qualitative research methodologies prior to the start of research. All field activities were closely monitored by the international coordinators, who were present in field sites for the duration of field research.

As indicated in the section on *Data Sources* above, research was conducted primarily through semi-structured interviews. To develop a comprehensive view of program implementation, the research teams targeted a broad range of respondents, including program staff, district- and subdistrict-level government officials, local leaders, contractors, beneficiaries, and

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[90] The TLSLSx was implemented in the first half of 2008 as an extension to the Government of Timor-Leste's 2007 living standards survey. The extension added supplemental questions in the areas of (i) shocks and vulnerability; (ii) access to financial services; (iii) agricultural production; and (iv) access to justice. A series of reports on the findings of the TLSLSx justice module were published in late 2009 and are available on the *Justice for the Poor* website at www.worldbank.org/justiceforthepoor.

nonbeneficiaries. In total, the team conducted 119 interviews as broken down in the table below.[91]

Position/Role	Number of Respondents	Number of Interviews	Gender
Community Leaders	44	41	M: 86% F: 14%
Project Beneficiaries	62	39	M: 71% F: 29%
Public Servants	31	30	M: 100%
Contractors	12	9	M: 75% F: 25%
Total	**151**	**119**	**M: 82% F: 18%**

Research activities took place in three stages, beginning with a desk review of the two programs to examine their procedures for information sharing, beneficiary selection, project implementation, and dispute resolution as specified *on paper*. The second round, which took place in late June and early July 2009, consisted of initial interviews with respondents in two districts to determine how the programs in question were operating *in practice*. During the final round of field research in August–September 2009, the team followed up on the interviews conducted in the second round, developing a series of case studies illustrating the progress of specific LDP and TIM Works cases in each district. Throughout, and particularly at the latter stages of field research, the research team has engaged in dialogue with the program teams to discuss findings, clarify contradictions, and share suggestions for addressing issues that have arisen in the programs.

Site selection

Research took place in Dili and a total of 10 *sucos* in two districts, as indicated by the table below:

District	Subdistrict	*Sucos*
Aileu	Aileu Vila	Fatubossa Lahae Liurai
	Remexio	Acumau Maumeta
Lautem	Lautem	Ililai Serelau
	Los Palos	Fuiloro Home Muapitine

District sites were selected based on several criteria, including the desire for geographic diversity and inclusion of both high- and low-capacity districts,[92] the presence of a Luta Hamutuk office,

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[91] The variations in the number of respondents and number of interviews conducted stem from the fact that some respondents were interviewed multiple times, while others were interviewed in a group.
[92] Based on interviews with program staff at central government level.

and planned implementation of YDP within that site. Within districts, the subdistrict and *suco* research sites were chosen based on the presence of active or recently completed LDP and TIM Works projects.

Methodological note on using qualitative tools

It should be noted that at the time of research, both of these districts were implementing the original LDP model (with assemblies at both district and subdistrict levels). Some readers thus might question whether the experiences (both positive and negative) of LDP in these districts differ from sites implementing the new LDP model. Also, given the small number of research sites relative to the size of the LDP program, there are likely questions about whether the findings in this study can apply more broadly than the studied *sucos*. This question of generalizability is often raised with qualitative research projects. While the research team recognizes these concerns, it should be noted that this research was *not* intended as a program evaluation, but rather as a piece that allows researchers to discover and understand individual and community experiences with local development. These experiences are necessarily embedded in the sociohistorical and cultural context in which respondents live and interact, and we have thus undertaken qualitative research with the understanding that communities' experiences with local development will depend at least as much on these contexts as on the form of assembly used for project selection in the districts under study.

The team has and will continue to discuss research findings with program teams in Dili and other districts in order to test the validity of findings. To date, however, respondents have noted that the challenges and opportunities identified in the research are found not only in the *sucos* studied, but also more broadly in the context of development in Timor-Leste.

Annex 3: Comparative Review of LDP, YDP, and TIM Works

Youth Development Program

The Youth Development Program (YDP) is a participatory development program based within the Timor-Leste Ministry of State Administration and Territorial Management (MSATM). The program, which began in early 2009 with the support of the World Bank, builds extensively on Local Development Programme (LDP) systems and processes and is part of a two-pronged approach to promoting youth empowerment and inclusion in development. The program confronts a lack of civic education and meaningful participation, and the general disconnect between youth and government, which contributed to the 2006 crisis (World Bank 2007). Under YDP, the ministry distributes small grants (based on an allocation of US$1.80 per *suco* resident) to finance youth-identified priority projects. These projects, which can benefit either youth specifically or the wider community, are designed, voted on, managed, implemented, and evaluated by youth themselves.

YDP recently completed its first program cycle in Lautem and Bobonaro districts, and is expected to commence in Aileu and Manufahi in 2010. Over the life of the program, each participant district is expected to receive a minimum of two grant cycles. Because YDP had just been launched during the time of research, interviews with YDP respondents were limited to civil servants and a small number of youths in Lautem. The research team also observed a socialization workshop for YDP in Bobonaro, and a district integration workshop (a forum to provide technical input and coordinate LDP and YDP proposals with sectorwide plans) for both LDP and YDP programs in Lautem.

Relationship between LDP and YDP

The Youth Development Program is modeled on LDP, extending its participatory development goals to promote youth involvement in local government and development. Like LDP, YDP is implemented by the MSATM and its grant cycle is closely linked to that of LDP. While youth engage in separate socialization and project-identification activities, selected projects are included in the list of *suco* priorities submitted to the district administration for inclusion in the LDP budget. YDP facilitators and implementation teams work with LDP technical staff and civil servants to plan and implement projects, though these responsibilities ultimately belong to the youth.

The main difference between the two programs is that YDP is a pure community-driven development program, with community decision making, procurement, and implementation at the village or hamlet level, facilitated by government. LDP, on the other hand, is a hybrid local governance/community development program that brings government at the district level together with community groups for the purposes of local development planning and programming.

TIM Works

The TIM Works program was designed to combat the dual challenges of job creation and infrastructure improvements across the nation. The program aims to support the sustainable rehabilitation and maintenance of rural roads and planned infrastructure using labor-based technology. In addition, it seeks to build the capacity of national and local government to plan, build, and maintain rural infrastructure, while simultaneously improving the capacity of local contractors and community groups.

TIM Works is implemented in partnership between the International Labour Organization (ILO) and the Timor-Leste Secretary of State for Vocational Training and Employment (SEFOPE), and began in September 2008 with a budget of US$8.14 million. Road rehabilitation activities under the program are being implemented in eight districts (Aileu, Baucau, Dili, Lautem, Liquica, Manatuto, Oecusse, and Viqueque), while maintenance activities are nationwide. The program uses primarily unskilled laborers (with targets of 50 percent youth and 30 percent women) from within project *suco*, who are compensated at a rate of US$2 per day based on their outputs. On average, workers are employed for 35 days. As of the end of 2009, TIM Works teams had completed 70 km of rural road rehabilitation, and 684 km of maintenance, resulting in over 400,000 work days (Athmer 2009).

Experience from TIM Works was captured in order to examine whether differences in program implementation, communities' sense of "ownership" over a project, and dispute management occurred because of differences in the type of funding received (an individual benefit under TIM Works vs. a community benefit under LDP and YDP) and the use of consultation in project selection. Where relevant, this report discusses findings on TIM Works only when the comparison sheds lights on aspects of LDP or YDP.[93]

Category	Local Development Programme	Youth Development Program
Basic Information		
Target population	All community members	Youth (16–30), both individuals and youth groups
Projects districts	Aileu, Ainaro, Baucau, Bobonaro, Cova Lima, Lautem, Manatuto, and Manufahi	Lautem and Bobonaro; Future sites in Aileu, Manufahi, Baucau, and Manatuto
Allocations	US$3.50/person (2009—has varied over the course of the project)	US$1.80/person
Project specifications		
Eligible projects	Projects must: impact on poverty, be local government responsibilities, be maintained with minimal resources, and benefit a significant number of communities.	Most projects are eligible. The negative list includes (among others): religious facilities, private goods, activities associated with political parties, weapons, activities funded out of other

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[93] A short briefing note on labor-intensive public works programs, based on TIM Works-related findings, is currently being developed by the J4P-TL team. When complete, this report will be available on the *Justice for the Poor* website.

	Projects cannot include: administrative buildings, religious facilities, salaries, sports infrastructure, or investments that would normally be individual/private.	sources (i.e., NGOs), alcohol, land purchase or lease, or projects with potential for negative social or environmental impacts.
Project costs	No cap/Limited by availability of funds	Maximum US$3,000/project
Number of proposals	Minimum of 2, maximum of 3 subdistrict project proposals per *suco* 1 district project proposal	Minimum of 2, maximum of 3 proposals submitted by each *aldeia* and *suco* At least 1 project/*suco* must be focused on women
Project Selection		
Aldeia- and *suco*-level selection and voting	*Suco* council members and community members propose projects. Projects are ranked using a ***pair-ranking system***, with all present participating. (Sector departments undergo a parallel project to select subdistrict and district priorities.)	Each *aldeia* identifies 2–3 priority projects (youth only). 5 youths per project are selected to represent the project during the *suco* meeting (that is, maximum 15 youths/*aldeia*). At *suco* youth meeting, each project is presented. Each of the youths representing *aldeia* projects ***votes on his/her favored project*** (which *cannot* include the project s/he represents). The top 2–3 projects are considered the top priorities for the *suco* youth. Youth Community Implementation Committees (Y-CICs) are formed for each of the selected priority projects. Y-CIC members are directly responsible for implementing projects.
Subdistrict-level planning	Verification and Appraisal (VAT) visits to *sucos* to assess projects and put together a basic project document. Project Implementation Committees (PIC) analyze, compare, and rank proposals according to predefined criteria. Subdistrict assembly (SDA) meetings are held, where PIC ranking is debated and a Draft Investment Plan is prepared.	VATs include at least one Y-CIC member. VATs assess the projects and put together a basic project document. If a technical problem is identified, the Y-CIC will be given a chance to modify the proposal. The PIC *does not* rank proposals; prioritization is based on the youth decisions in the previous *suco* meeting. Youth proposals are included in the Draft Investment Plan.
Implementation	District projects must be implemented through a contracting process. Subdistrict projects can be implemented	A Local Community Contract is prepared by the PIC and signed by the Y-CIC chair and subdistrict administrator.

	either by contractors or through community contracting.	Communities can request a cash advance of up to 60 percent.
	Oversight is provided either by a Project Oversight Committee (if contracting is used) or the *suco* council (if community contracting is used).	The Y-CIC is responsible for project implementation, financial management, monitoring, etc.
	Subdistrict administrations or district administrations are responsible for reporting (including financial reporting).	After completion, a youth evaluation meeting is held to evaluate the project.

Annex 4: Brief Overview of Decentralization

Since 2003, Timor-Leste has been undertaking a decentralization planning process in an effort to (i) promote the institutions of a strong, legitimate, and stable state across the territory of Timor-Leste; (ii) promote opportunities for local democratic participation by all citizens; and (iii) promote more effective, efficient, and equitable public service delivery for the social and economic development of the country (Timor-Leste 2008b). The model of decentralization has shifted with changes in government; under the current plan, limited power, functions, and roles of the central government will be devolved to 13 municipalities, mapped to present-day districts. To this end, a *Law on Administrative and Territorial Divisions under Decentralization* was passed in June 2009; two remaining decentralization laws on local government and municipal elections are pending before parliament. However, further discussions on decentralization have been suspended until after Timor-Leste's 2012 national elections take place.

Should decentralization go forward as currently planned, the municipal government will be comprised of an elected municipal assembly and mayor, and a municipal administration led by an appointed civil servant. Devolved powers will be designated by decree law subject to municipal capacity, and will initially include primary health and water provision. Municipal funding will be derived from own revenue, transfers, block grants, external funding, and cash reserves. While most funds are earmarked for specific expenditures, the municipal assembly will designate and allocate block grants (based on the existing LDP block grant structure), subject to some restrictions.

Suco-municipal relations under decentralization are still largely undefined. Under the present draft law, which is pending approval before parliament and subject to change, *suco* councils will receive budget from the municipality to execute council functions, and will be charged with creating community development plans; however, *suco* representatives will have no formal role on municipal development planning boards and the municipality will not be required to adopt *sucos'* community development priorities. While municipalities will be required to "encourage the involvement" of *sucos* in planning and decision making, municipal accountability will be predominantly upwards and horizontal, rather than downwards.

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Debates around models for community participation in local development provide insights into broader discussions of the relationship between citizen and state. In Timor-Leste, post-independence visions of local governance and community engagement mingle with political imperatives of rapid and large-scale growth to inform rich debates on the most appropriate local governance and development structures. In this research report, the authors explore one local development model in detail, examining how program design, technical capacity, and local social and political realities combine and collide to influence project implementation. Lessons for local development programs, and citizen-state relations more broadly, are drawn from this analysis.

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