

## Timor-Leste: Oecusse and the Indonesian Border

### I. OVERVIEW

Indonesia and Timor-Leste have done much to normalise relations ten years after the end to Indonesian rule in the former province, but the goodwill between capitals is not yet matched by full cooperation on the border. The costs are greatest in Oecusse, Timor-Leste's isolated enclave inside Indonesian West Timor. Negotiators have so far failed to agree on two segments of Oecusse's border, leaving open the risk that minor local disputes could be politicised and escalate into larger conflicts. Without a final demarcation, steps to improve management of the porous border have stalled. Initiatives that would promote exchanges and lessen the enclave's isolation remain unimplemented. As the bonds between the two nations grow, they should prioritise this unfinished business. Leaving it unresolved can only promote crime, corruption and the possibility of conflict.

The security threat to Oecusse and its 67,000 inhabitants has sharply decreased since independence. While the unresolved border segments remain a catalyst for occasional tensions, no violence has taken place in recent years. Settlement of the border issue requires both national and local responses. The governments must work with renewed urgency to resolve the remaining disputed segments. Whatever border is agreed will not satisfy everyone. To alleviate this discontent, local arrangements for cross-border activities should be promoted. Without such flexibility, long-standing local disputes will fester and could escalate into active conflict.

Beyond security threats, the two countries face a range of border management challenges over the movement of people and goods. Though the enclave has remained politically distinct for several hundred years, links remain strong between families divided by the border. They cross regularly for marriages and funerals. Some even farm land in the other country. Isolated from the rest of Timor-Leste, residents depend on cheap goods from Indonesia.

Informal arrangements have served to facilitate movement of goods and people in the absence of a sustainable system that would promote rather than criminalise local traffic, but these are often put on hold when border tensions rise, increasing Oecusse's vulnerability. Both countries are establishing civilian border management agen-

cies that may help accommodate local interests in the medium term, but they are still months, if not years away. Unresolved issues regarding accountability for the violence around the 1999 referendum and the subsequent large-scale displacement across the border pose challenges that are more political than security-oriented. Their resolution is a prerequisite for the enclave's long-term stability.

While Oecusse's viability in the years following independence was once questioned – chiefly by foreign observers – such concerns underestimated the strong sense of Timorese identity in the enclave and overestimated the threat from former Indonesia-era militia on the other side of the border. Investment by the central government has increased, sending a message of Dili's commitment to the enclave. While welcomed by residents, such efforts start from a low base. Infrastructure remains poor, access to information limited and the ability to deliver government services low. Nationwide decentralisation was to have given this district the autonomy to determine some of its own cross-border affairs, but the process has stalled at national level. Timor-Leste's leadership should consider uncoupling Oecusse's regional development from the broader process and look for ways to provide means and funds to promote direct cross-border cooperation.

As Indonesia and Timor-Leste work on being good neighbours, they should focus on concrete actions that improve life for the people and lessen the risk of conflict on both sides of the border. While Indonesian doctrine means a significant decrease in security forces on the border is unlikely in the near term, demilitarisation of the frontier should remain on the agenda as a long-term goal that would truly reflect normal relations. Immediate steps that should be taken include:

- ❑ finalising demarcation of the border as a matter of priority;
- ❑ formalising arrangements for efficient communications between government and security forces on both sides of the border and at all levels, so as to create avenues for quick de-escalation of future incidents;
- ❑ increasing cooperation between the two countries' military and police, including training and exchange of attachés;

- introducing the long-discussed border pass system for citizens of both countries and implementing the initiative for joint border markets that would facilitate both commercial and social exchange; and
- improving the training, equipment, and facilities of Timor-Leste's border patrol unit.

## II. HISTORY OF AN ENCLAVE

Timor-Leste's Oecusse enclave is bordered by the Savu Sea to the north and the Indonesian province of Nusa Tenggara Timur (NTT) on its other boundaries.<sup>1</sup> It is home to some 67,000 residents and divided from the rest of the country by roughly 60 kilometres of Indonesian territory.<sup>2</sup> Long a magnet for Chinese, Portuguese and other traders due to an abundance of sandalwood, it became the first administrative seat of Portuguese holdings on the island in 1701<sup>3</sup> and has ever since remained politically distinct from the communities in the western half of the island that surround it, even as both remain united by a common language and close cultural and blood links.

Colonial rule in Timor was weak and political boundaries subject to shifting claims.<sup>4</sup> The Portuguese presence in the enclave was under constant attack from local rulers of mixed European and Asian descent, ultimately prompting the colony to move its capital to Dili in 1769. Thereafter, Portuguese control was limited to regular pledges of fealty to the king given by local leaders on visits to Dili.

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<sup>1</sup> This briefing updates Crisis Group reporting on tensions along the Indonesia/Timor-Leste border, which underscored the challenges faced in Oecusse. See Crisis Group Asia Briefing N°50, *Managing Tensions on the Timor-Leste/Indonesia Border*, 4 May 2006. By some definitions, Oecusse is an "exclave" rather than an "enclave" because it is not entirely surrounded by another state. See the map at Appendix A. For a discussion on the maritime border, which the two nations have agreed to postpone demarcating until they have resolved the land border, see Clive Schofield and I Made Andi Arsana, "The delimitation of maritime boundaries: a matter of 'life or death' for East Timor?", in Damien Kingsbury and Michael Leach (eds.), *East Timor: Beyond Independence* (Melbourne 2007), pp. 67-88.

<sup>2</sup> The population figure is taken from the projections in "Timor-Leste in Figures 2008", National Statistics Directorate, finance ministry, June 2009. Timor-Leste's last national census was in 2004. A map of Oecusse is at Appendix A below.

<sup>3</sup> Though Portuguese traders began arriving in the early sixteenth century, a governor was not appointed for Portuguese Timor until 1695. In 1701 he took up residence in Lifau, just west of what is now Oecusse's main town. See Laura Suzanne Meitzner Yoder, "Custom, Codification, Collaboration: Integrating the Legacies of Land and Forest Authorities in Oecusse Enclave, East Timor", Ph.D. dissertation, Yale University, May 2005.

<sup>4</sup> *Ibid.*, chapter 2.

But if Oecusse's ruling families were resistant to anything beyond nominal rule, their links to the crown also proved a pole for opposing Dutch rule. When a Lisbon-appointed governor signed the enclave over to Dutch control in 1759, the two ruling families unilaterally fought to reject the transfer.<sup>5</sup>

The two colonial powers sought to rationalise their holdings in the region in various agreements between 1851 and 1904, formalising division of the island into western and eastern halves.<sup>6</sup> Three enclaves proved sticking points: Oecusse and the two entirely landlocked territories of Noimuti (now in Indonesia's Timor Tengah Utara *kabupaten*) and Maucatar (in Timor-Leste's Suai district).<sup>7</sup> A 1904 treaty eliminated these latter geographical anomalies through exchange and attempted to map out comprehensive boundaries between the respective powers' possessions but maintained the Oecusse enclave. Its eastern border proved an object of contention during joint delimitation talks, requiring a submission to the Permanent Court of Arbitration in The Hague in 1913; final agreement was not ratified until 1916.<sup>8</sup> That ratified boundary now serves as the reference for border delimitation efforts by the two current states.<sup>9</sup>

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<sup>5</sup> *Ibid.*, p. 67.

<sup>6</sup> One author commented: "There's a particular irony that as negotiations proceeded between The Hague and Lisbon – all phrased in appropriate diplomatic French – neither colonial power controlled the territories over which they were deliberating". James J. Fox, "Tracing the path, recounting the past: historical perspectives on Timor", in James J. Fox and Dionisio Babo Soares, *Out of the ashes: destruction and reconstruction of East Timor* (Adelaide, 2000). The island's division into western and eastern halves was understood to follow a rough division between two local kingdoms, the Belos in the east, the Servião in the west.

<sup>7</sup> Timor-Leste is divided into thirteen districts, the unit of government directly below national level. Pending implementation of a decentralisation program, districts in effect have no independent governing powers – they report directly to the state administration and territorial order ministry (see Section V.C below). Indonesia's *kabupaten* (once translated as "regency" but now more commonly as "district") are the administration unit below the level of provinces. They have elected heads and a much wider range of competencies than their Timorese counterparts. To distinguish the two, this report uses the Indonesian word for that level of government on its side of the border.

<sup>8</sup> This section of the border is no longer in substantive dispute in the negotiations, though the water boundary in some areas remains locally contested. A Timorese border post is being moved northwards to the area of Nipani to protect a sandalwood forest from illegal cross-border logging. Crisis Group interview, border patrol unit (Unidade de Patrulhamento de Fronteiras, UPF) commander for Oecusse, Pante Makassar, 15 March 2010.

<sup>9</sup> See Section III.A below.

After annexing Portuguese Timor in July 1976, Indonesia maintained Oecusse as a part of its new 27th province (Timor Timur) rather than incorporating it into the territorially contiguous NTT province. This helped maintain residents' political identification with the rest of the former Portuguese territory. During the occupation, Indonesia continued efforts at formal delineation of what had become a provincial boundary, roughly following the old colonial borders. These provincial border markers still stand in some areas.

Following East Timor's rejection of Indonesia's offer of special autonomy in a 30 August 1999 referendum,<sup>10</sup> the enclave was subject to some of the bloodiest retribution from local militia. A multinational peacekeeping force deployed to the country on 20 September 1999 arrived in Oecusse last, a full month after its arrival in Dili.<sup>11</sup> More than 170 residents of the enclave were killed by the Sakunar militia, formed in April of that year with the support of the district's Indonesian-appointed administration and military and police commanders.<sup>12</sup> Sakunar's ranks were drawn principally from members of the district administration and Oecusse-born members of the Indonesian police and military; the principal targets of the violence were those believed to be supporters of independence. The consequent displacement of the population over the border into refugee camps and family homes in NTT in 1999 was huge, and damage to the enclave's housing stock severe: an official recently estimated over 95 per cent of housing in the district capital was destroyed.<sup>13</sup>

### III. MANAGING A DISPUTED, POROUS BORDER

The long history of shifting political borders, the lack of any single natural boundary and the sensitivities for Indonesia in establishing relations with its former province are all contributing factors to protracted border negotiations. Two processes are at work: an effort between two states to agree on the location of a border they inherited from their colonial predecessors, and competition between local communities along the border over resources. Among those most active in challenging Oecusse's boundaries are former residents who fled in 1999 and lost access to lands they once tilled. Confusion over the enclave's border and how it is managed – particularly at two sections that remain unresolved – will continue to have the potential to cause conflict until a final demarcation is done, explained by authorities and accepted by locals.

#### A. AN UNSETTLED BORDER

The UN initiated efforts at settling the international boundary in 2001, in advance of Timor-Leste's independence the following year. Misunderstandings about the border caused by old maps had deadly consequences during the time of the UN-sponsored international force. In an October 1999 incident, an Australian army patrol shot dead an Indonesian policeman near the main border crossing at Motaain, when both sides, using different maps, thought the other had crossed the border.<sup>14</sup> The Australians relied on a 1992 Indonesian map showing Motaain east of the river, the Indonesians on a 1933 Dutch-era map that located the stream to the west of the frontier.<sup>15</sup>

Following Timor-Leste's independence, both parties agreed to demarcate the border according to the terms of the 1904 treaty and 1914 arbitration.<sup>16</sup> Those close to the negotiations explain that the Indonesian side has not always hewed closely to this understanding, sometimes introducing parallel traditional claims.<sup>17</sup> The talks have been protracted

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<sup>10</sup> 78.5 per cent of voters rejected autonomy within Indonesia (thus choosing independence). To prevent retaliation and division of the territory, the UN mission decided that votes from all districts would be mixed and counted centrally. There is no evidence that Oecusse might have voted against the national pattern.

<sup>11</sup> Cameron Barr, "East Timor's Deserted Outpost", *Christian Science Monitor*, 25 October 1999. Upon arrival, peacekeepers reportedly found only 2,500 out of a population of 57,000 as a result of mass displacement over the border into NTT.

<sup>12</sup> See Geoffrey Robinson, "East Timor 1999 Crimes Against Humanity", July 2003, published in the annex to the 2005 report of the Commission of Reception, Truth and Reconciliation (known by its Portuguese acronym, CAVR). Chapter 9.12 provides a review of violence in Oecusse.

<sup>13</sup> Crisis Group interview, district chief, land and property unit (DNTPSC), Pante Makassar, 26 November 2009.

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<sup>14</sup> Motaain is not in Oecusse but rather the principal border-crossing point between Timor-Leste and Indonesia at the coastal end of the main border between Bobonaro district and Belu *kabupaten*.

<sup>15</sup> Rafael Epstein, "Australian and Indonesian forces clash in East Timor", ABC (www.abc.net.au), 11 October 1999; and Michael J. Kelly, et al., "Legal Aspects of Australia's involvement in the International Force for East Timor", *International Review of the Red Cross*, no. 841 (2001), pp. 101-139.

<sup>16</sup> "Joint Ministerial Statement: First Meeting of the Indonesia-Timor-Leste Joint Ministerial Commission for Bilateral Cooperation", 8 October 2002.

<sup>17</sup> See "Antigos reinos de Oe-Cussi em 'pé de guerra' com Tratado das Fronteiras" ["Former kingdoms of Oe-cussi at the brink of

for several reasons, not least of which have been limited staffing and capacity on both sides and the momentum lost after Timor-Leste's 2006 crisis put the process on hold for two years. Some observers also suggest it is in Indonesia's strategic interests to defer a final border settlement so as to have leverage on a range of issues.<sup>18</sup>

A provisional border agreement signed by the foreign ministers in April 2005 saw the bulk of the border agreed but left three major areas unresolved. Two of these are along Oecusse's border: the Citrana triangle at the enclave's far western edge, where a river boundary meets the sea; and the area around Bijael Sunaen, at the enclave's southern tip.<sup>19</sup> A third unresolved area is in Memo, along a river boundary between Bobonaro district and Belu.<sup>20</sup>

Agreement appeared to have been reached in December 2005 at the technical level on the border line at Citrana, but the wording was left vague at the political level, and the Indonesian team now does not recognise it.<sup>21</sup> At Bijael Sunaen, the two sides have yet to come to any agreement, and each maintains a separate border line.

## B. RECENT BORDER INCIDENTS

A series of incidents at both unresolved segments in 2009 showed the difficulties of normalising relations in the absence of an agreed border. More than ten years after Timor-Leste left Indonesia, an adviser to the process explained: "We did not plan for it to be left unresolved for so long".<sup>22</sup> An exercise designed to be purely technical in nature risks becoming increasingly political at local levels.

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war with the Border Treaty"], *Lusa*, 26 May 2009. The Indonesian team includes the military, Tentara Nasional Indonesia (TNI), traditionally the most vocal defenders of a unitary Indonesian state.

<sup>18</sup> Crisis Group interview, foreign affairs ministry adviser, October 2009.

<sup>19</sup> A further issue in Oecusse is a roughly 9km length known as Subina, where the two governments have agreed on an approximate line, but villagers have refused to allow surveying that would permit final demarcation.

<sup>20</sup> See fn. 7 for an explanation of Timor-Leste's districts and Indonesia's *kabupaten*. The fourth unresolved border segment is at Memo in Bobonaro province, near Maliana, where an irrigation channel has introduced some disagreement over where an agreed water boundary lies. In late 2009, the area was declared off-limits, and no activity has been allowed for some time. After the rotation of Indonesian battalions, renewed efforts to reach agreement led to a resumption of Timorese farming activity in the area. Crisis Group interview, district police commander, Maliana, 22 February 2010.

<sup>21</sup> Crisis Group interview, adviser to foreign ministry, Dili, 26 April 2010.

<sup>22</sup> *Ibid.*

Pending resolution of the border during the country's period of UN administration, patrolling arrangements around the Tactical Coordination Line (TCL) were set out in an agreement between the UN peacekeeping force (PKF) and the Indonesian military (Tentara Nasional Indonesia, TNI).<sup>23</sup> Despite the formal handover of external and internal security to Timorese forces in May 2004, they and the Indonesians have never signed a formal document to replace these arrangements.<sup>24</sup> In its absence, there are friendly and regular, but informal, exchanges between the TNI and the Timorese border patrol, and confusion exists over how the land at the unresolved border segments is to be treated.<sup>25</sup> Indonesian military officials and villagers consistently talk of the land at Bijael Sunaen and Citrana as "sterile" or "in dispute" and thus not for use.<sup>26</sup> Civilian officials in Dili, however, insist there is no legal basis for that conclusion, and villagers and border guards insist the land is "simply ours".

### 1. Naktuka/Citrana

An effort to build an immigration post near Citrana in November 2008 led to increased tensions. The new post was designed to match an existing Indonesian one and serve as a further marker of normalised relations and a mechanism for legal crossings of Oecusse's isolated western border,<sup>27</sup> but it sat in the middle of the 1,069 hectares of disputed land. Indonesian military officials, who had never been informed of the plans to build the post, immediately protested and halted construction.<sup>28</sup> A vari-

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<sup>23</sup> See "Military technical arrangement for tactical coordination and cooperation between the TNI and UNTAET [UN Transitional Administration in Timor-Leste] PKF", 28 August 2001, at [www.unmit.org/legal/Other-Docs/MTA-TNI-UNTAETPKF.pdf](http://www.unmit.org/legal/Other-Docs/MTA-TNI-UNTAETPKF.pdf). A revised version was in place through 2005 on military liaison operations but lapsed in June 2005.

<sup>24</sup> The UN Secretary-General warned in April 2006: "I hope that the two countries can finalise the border management agreement ... that expired in June 2005 ... [I]t will be critical in providing a framework for the peaceful resolution of border disputes". "Report of the Secretary-General on the United Nations Office in Timor-Leste", 20 April 2006, S/2006/251, para 5.

<sup>25</sup> An informal memorandum of understanding appears to exist between the TNI and the border patrol unit but has not been made public. Crisis Group interviews, Ganewati Wuryandari, Indonesian Institute of Sciences (LIPI) researcher, Jakarta, 22 January 2010; and UPF commander, Batugade, 20 April 2010.

<sup>26</sup> Crisis Group interviews, Haumeniana, 19 March 2010.

<sup>27</sup> Immigration points in use in Oecusse are at Sakato in the east and Oesilo in the south east, both at least a four-hour drive from Citrana. The Indonesian side beyond the western border is particularly isolated, with poor roads that only lead to Kupang.

<sup>28</sup> Crisis Group interview, UPF post commander, Cruz, 24 November 2009. See also "Border Dispute, Oekusi Enclave", *Tempo Semanal* online exclusive, 15 October 2009, available at

ety of small incidents over the past year have centred on entry by the TNI into the disputed area, a triangle of rich farming land known as “Naktuka” (“severed head”) in the local language.<sup>29</sup>

Any Indonesian military presence is sensitive here: villagers complain that the Timorese border guard post is set back from the disputed area in which they live, leaving them vulnerable to intimidation from the Indonesian side; border guards explain Indonesia would not accept a post any closer.<sup>30</sup> In June 2009, TNI soldiers accompanied a small civilian delegation led by Robby Manoh, a member of the district-level assembly for the Kupang *kabupaten* and a customary leader in the area of Amfoang that adjoins Naktuka on the Indonesian side. Manoh said he was there to survey Naktuka’s irrigation system, built during the period of Indonesian administration.<sup>31</sup> He has consistently sought to raise the land dispute at Naktuka to the national level in Jakarta and is frequently cited in the Indonesian press explaining that if the country’s claim is not recognised, there will be violence.<sup>32</sup>

The incident, which angered local villagers and was reported in national media, raised temperatures such that when a separate group of seven TNI soldiers and two civilians entered Naktuka in September 2009, there was a different reaction. The Indonesians began taking pictures of a recently constructed Timorese agriculture ministry building.<sup>33</sup> Locals confronted the group and in effect arrested them, escorting them to the nearby border patrol post at Citrana, where they were detained for several hours while an effort was made to contact national authorities in Dili.<sup>34</sup> They were eventually released and allowed

to re-enter Indonesia. The soldiers’ willingness to submit to the control of the villagers underscored that their presence constituted little security threat. But it was a provocation, and a series of further incidents suggest Indonesia wants to keep its claim alive.

This remote border post, known as Oepoli on the Indonesian side, is difficult to access in the wet season on an unsealed road. It would not receive such disproportionate attention from national officials if the border demarcation was complete. The Indonesian defence minister made an unannounced visit to the post in February 2010, suggesting joint patrols take place the next day. After communicating with headquarters, Timorese border patrol guards returned to explain that it would be unavailable for any cooperation.<sup>35</sup> The minister returned roughly a month later to conduct an aerial tour of the area.<sup>36</sup> A future visit for the armed forces chief was being planned during April.<sup>37</sup>

Timorese in Naktuka say they are open to the wishes of neighbouring Indonesians to farm the land but are frustrated by Indonesian claims that it is in dispute.<sup>38</sup> They say it has belonged to Oecusse for as long as they can remember. A Timorese government official explained that to defuse the situation in November 2008, he had visited the post and offered a personal apology to the Indonesian soldiers, giving them money for cigarettes and beer.<sup>39</sup> But it is unclear whether everyone is willing to take such a deferential stance.

## 2. Cruz/Haumeniana

The unresolved segment at Cruz may pose greater problems. The dispute there reaches at least as far back as the 1960s, when deadly clashes broke out amid efforts by Indonesian topographers to set up new border markers deeper inside the territory of Portuguese Timor.<sup>40</sup> These clashes returned with some intensity in the years following independence, including border standoffs in 2005-2006.<sup>41</sup> There, too, the disputed area is rich farm land. The Indonesian side of the border is home to a large concentration of former Oecusse residents who fled in 1999. An official from the enclave explained that after independence the Oecusse families that customarily farmed the land sought to expel those who had done so during the occupation.

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temposemanaltimor.blogspot.com/2009/10/internet-exclusive-border-dispute.html.

<sup>29</sup> Crisis Group interview, Robby Manoh, member of *kabupaten*-level assembly (DPRD II), Kupang, 9 February 2010; Fernando Hanjam, vice-rector, Universidade Nacional de Timor-Leste (UNTL), Dili, 14 April 2010.

<sup>30</sup> Crisis Group interviews, villagers and UPF post commander, Citrana, 25 November 2009.

<sup>31</sup> Crisis Group interview, Robby Manoh, member of district assembly (DPRD II), Kupang, 9 February 2010.

<sup>32</sup> “TNI Told to Evict Disputed Border Settlers in NTT”, *The Jakarta Post*, 13 June 2009. See also Eras Poke, “Village warns of violence if border issue not settled”, *The Jakarta Globe*, 13 June 2009.

<sup>33</sup> One issue fuelling frustration on the Indonesian side is that, separate from whether Timorese villagers have been living there, investments by Timor-Leste to improve the land are seen as a violation of efforts to maintain the status quo. Crisis Group interview, UPF members, Citrana border post, 16 March 2010.

<sup>34</sup> The post has no communications, so a border guard contacted the police command from the Baoknana station twenty minutes away. Crisis Group interview, Citrana border post, 24 November 2009, 16 March 2010.

<sup>35</sup> Crisis Group interview, Citrana border post, 16 March 2010.

<sup>36</sup> “Menhan tinjau pulau Batek via udara” (“Defence Minister reviews Batek Island from the air”), *Antara*, 3 April 2010.

<sup>37</sup> Crisis Group SMS communication, senior military official, 20 April 2010.

<sup>38</sup> Crisis Group interviews, Citrana villagers, 25 November 2009.

<sup>39</sup> Crisis Group interview, Kupang, 24 February 2010.

<sup>40</sup> João Matos, “O processo de demarcação da fronteira terrestre entre a Indonésia e Timor-Leste”, August 2008.

<sup>41</sup> See Crisis Group Briefing, *Managing Tensions*, op. cit.

The aggrieved have tried to raise trouble by collaborating with villagers on the other side.<sup>42</sup> Another explanation focused on Timor-Leste's 9 October 2009 local elections in which the losing candidate for *aldeia* (chief) had promised to cause trouble.<sup>43</sup>

There is, again, confusion over the land in dispute. Indonesian-era maps showed provincial boundaries broadly consistent with the Timorese claim, but villagers on the Indonesian side insist a 1988 change to the provincial boundary misrepresented the true border. Now, as elsewhere, there are varying interpretations even among villagers on either side as to where the claimed boundary lies. Those on the Indonesian side say that the land is "sterile" but then explain they can seek permission from the army to till it and let their cattle graze.<sup>44</sup> Residents on the Timorese side say they are afraid to farm the land for fear of reprisals from the Indonesian military, but they do not recognise the concept of a no-man's land.<sup>45</sup>

A small local firm began construction of a new border patrol unit post at Cruz in October 2009.<sup>46</sup> Previously, the nearest post was at Passabe village, a three-hour (but under 10km) drive away on poor and sometimes impassable roads. Again, Indonesian officials had not been consulted, and a group of several soldiers, civil defence officials (*Hansip*) and at least one other civilian crossed into the area on 11 October and confiscated the construction materials. Indonesian officials claimed these were understood to have been abandoned.<sup>47</sup> Timorese press accounts suggest a more aggressive stance: soldiers accosted and frightened away the workers before seizing the materials.<sup>48</sup>

The incident angered Passabe locals, who saw it as a clear provocation and test of their response.<sup>49</sup> Two days later, roughly 100 villagers carried stones from a nearby river up the hill to aid in the reconstruction of the post. Members of the UN military liaison group happened to be on

site facilitating a meeting between the border unit and the TNI to resolve the incident.<sup>50</sup> The crowd grew angry when the TNI and others on that side started photographing the group and waving an Indonesian flag. Timorese police arrived and along with the international military observers, calmed villagers until they slowly dispersed.<sup>51</sup>

The original location had always been outside the disputed area, but at an on-site meeting a few days later, it was agreed to move the post roughly 50 metres further into Oecusse.<sup>52</sup> The incident led to a freeze in relations on the ground, as communication ceased between forces on either side. This had knock-on effects for the local population, as illegal cross-border traffic usually "facilitated" by security forces on both sides was blocked. The materials have not yet been returned, and the commander of the border patrol unit says he will not sign an agreement on joint patrols with the Indonesian military until this happens.<sup>53</sup>

### C. MANAGING LOCAL CONFLICT

Final settlement of a border line is a prerequisite for establishing a sustainable border security system on both sides. Whatever border is established, competition for resources in this poor area will continue to elicit local conflict. Indonesian villagers are repeatedly cited in local media explaining that a failure to recognise their claims will bring bloodshed.<sup>54</sup> Those claims are likely exaggerated, but mapping Oecusse's porous border and ensuring it is understood by locals is only one part of the long-term joint challenge. Building better relationships between those who govern and secure the border areas will be equally important as drawing lines on a map.

<sup>42</sup> Crisis Group interview, district official, Pante Makassar, 17 March 2010.

<sup>43</sup> Crisis Group interview, Dili, 17 November 2009.

<sup>44</sup> Crisis Group interviews, Haumeniana, 19 March 2010.

<sup>45</sup> Crisis Group interviews, Cruz, 24 November 2010.

<sup>46</sup> A significant portion of the non-budgeted funds distributed for infrastructure development as part of the 2009 "referendum package" (PR) was spent on upgrading police facilities throughout the country. In Oecusse, a third of the PR budget, some \$881,000, was spent almost exclusively for border post facilities. See lists of referendum package expenditures, available at <http://temposemanaltimor.blogspot.com/2010/03/pakotereferendum-timor-leste-exclusive.html>.

<sup>47</sup> Crisis Group interview, village official, Haumeniana, 19 March 2010.

<sup>48</sup> See "Border dispute, Oekusi enclave", op. cit.

<sup>49</sup> Crisis Group interviews, Passabe villagers, 22 November; and UPF post commander, Cruz, 24 November 2009.

<sup>50</sup> The UN Secretary-General's February 2010 report suggested the presence of the international military observers was instrumental in defusing the tensions. See "Report of the Secretary-General on the United Nations Integrated Mission in Timor-Leste (for the period from 24 September 2009 to 20 January 2010)", 12 February 2010, S/2010/85, paras 70-71.

<sup>51</sup> Crisis Group interviews, police and local officials, Pante Makassar, 23 November 2009; Cruz, 24 November 2009.

<sup>52</sup> Press reports indicate the meeting at the Cruz border post followed a "crisis meeting" in Dili between the acting prime minister and the secretary of state for defence (acting as secretary of state for security). See "Border dispute, Oekusi enclave", op. cit.

<sup>53</sup> He explained that the commander of the infantry battalion in charge at the time has offered to return the materials in person, but they have yet to find time to meet. Crisis Group interview, Batugade, 20 April 2010.

<sup>54</sup> See for example, "TNI pancang tujuh pilar, rugikan batas wilayah RI" ["TNI plants seven border markers, Indonesian borderland is lost"], *Pos Kupang*, 23 February 2010.

## 1. Increasing communication

Unilateral actions, however mundane, can breed suspicion in the absence of good communication. The deployment of soldiers and police also encourages a security approach to problem solving. The two contentious Timorese border posts discussed above were built without consultation with either local police or Indonesian security counterparts. Better coordination between security and civilian officials before construction could have avoided misunderstandings. An Indonesian National Agency on Border Management has been formed to put such matters under civilian control.<sup>55</sup> A functioning agency is some months, if not years away.<sup>56</sup> There is also some doubt whether it can coordinate several ministries and improve border administration on the ground.<sup>57</sup> In the meantime, the TNI's border security task force (*Satgas Pamtas*) rotates annually and controls its frontier.<sup>58</sup> Timor-Leste has taken steps toward a coordinating body for management of border facilities, but until it is established in law,<sup>59</sup> the border police have primacy. Once established, the two civilian bodies could change the way the border is managed.

Relations between soldiers and police on either side are generally amiable, including joint football matches. Timorese ask their counterparts to run errands such as purchasing phone credit vouchers on the Indonesian networks. The officers are seen socialising and eating together, and they formally meet twice a month to discuss conditions at the border.<sup>60</sup> Such friendliness is highly dependent on individual personalities and would not necessarily be sufficient on its own to defuse tensions if incidents such as the above were to escalate.

As the commander at the Cruz border post explained, "these may be local issues, but this is between two nations. We must pass everything up to the top for them to decide. In

the meantime, we just provide security".<sup>61</sup> The Timorese border police have limited training and fear prejudicing any pending settlement. Nevertheless, it would be helpful to increase the ability of company commanders to communicate directly and to give them some authority to seek temporary resolution of incidents that, though they may have national significance, are highly localised.<sup>62</sup>

## 2. Strengthening Timor's border police

Timor-Leste's border patrol unit (*Unidade de Patrulhamento de Fronteiras, UPF*) is poorly equipped and trained for its broad role. This disadvantages it against the more experienced and better supplied Indonesian units. It is also spread thinly across Oecusse's nine border posts. Though up to thirteen officers were deployed to Cruz in October 2009 and similar numbers to Citrana, posts often have only two or three on duty at any time, making even basic patrolling difficult.<sup>63</sup> Offered brief UN training upon its inception in 2003, the unit has had little since.<sup>64</sup> It lacks basic equipment such as functioning radios, maps and GPS units.<sup>65</sup> At one post, officers presented an old map of a different post left behind by peacekeepers and were unable to work out where the border was.<sup>66</sup> At a new post in Cruz, officers patrolled with binoculars left by the Korean battalion that departed in 2003. Although the gov-

<sup>55</sup> See Law no. 43/2008 (National Territory); Presidential Regulation no. 12/2010 (National Agency on Border Management).

<sup>56</sup> Crisis Group interview, interior ministry official, Jakarta, 29 March 2010.

<sup>57</sup> I Made Andi Arsana, "RI's new border management", *The Jakarta Post*, 28 March 2010.

<sup>58</sup> See "Satgas Pamtas RI-RDTL Yonif 742 Tiba di Kupang" ["RI-RDTL border security task force infantry battalion 742 arrives in Kupang"], press release, TNI, 31 December 2009.

<sup>59</sup> A committee was set up in May 2009 to work toward a permanent Coordinating Committee for Border Operations (*Comité Coordenador das Operações de Fronteiras, CCOF*), but there is not an establishing law. See order of the prime minister's office, Government Despacho 15/GPM.

<sup>60</sup> This communication was, however, suspended for at least a month in the wake of the incident at Cruz. Crisis Group interview, UPF post commander, 24 November 2009.

<sup>61</sup> Crisis Group interview, Cruz UPF post, 24 November 2009. The arrangement between the UN PKF and the TNI took the opposite approach, putting forward the principle that "coordination issues are to be discussed ... at each level and they are to strive to seek resolution of these issues at the lowest level possible". "Military Technical Arrangement", op. cit., Article 12.

<sup>62</sup> Two local NGOs – FFSO in Oecusse and Lakmas Cendana in Kefamenanu – led cross-border dialogues to elicit ideas for long-term management of the border. One favoured by communities was the creation of cross-border advisory councils (*lembaga adat*) to serve as resolution forums for low-level disputes such as missing livestock or minor theft, in accordance with traditional customs. See "Dialog batas, Pengembangan Kapasitas-Kearifan local masyarakat perbatasan Timor Barat-Indonesia dan Ambeno-Timor-Leste dalam mewujudkan masyarakat perbatasan yang damai dan sejahtera", September 2007.

<sup>63</sup> Just under 60 members of the UPF are part of the company working in Oecusse. The full unit strength is 227. Crisis Group interviews, border patrol members, Pante Makassar, Citrana, Quibiselo, Sakato, Bobometo, Passabe, Cruz, June 2009-March 2010.

<sup>64</sup> UPF participation in a two-month refresher course being offered to the entire PNTL has been delayed due to a lack of funding in 2010. Crisis Group interview, PNTL chief superintendent, 19 April 2010. On challenges of police training and reform, see Crisis Group Report, *Handing Back Responsibility to Timor-Leste's Police*, op. cit.

<sup>65</sup> They are well-armed with both Glock 9mm pistols and HK-33 rifles. Crisis Group interview, UPF commander, Batugade, 20 April 2010.

<sup>66</sup> Crisis Group interview, Quibiselo border post, 26 June 2009.



ernment has built some new posts, most officers operate in difficult, isolated locations from dilapidated quarters once used by UN peacekeepers.<sup>67</sup> The poor conditions and limited training create disciplinary problems. In June 2009, several officers beat a local resident so badly he was hospitalised.<sup>68</sup>

The border patrol unit's lack of training, staff and resources compound a major imbalance of forces at the border.<sup>69</sup> The experienced Indonesian military task force charged with border security numbers some 1,048 troops.<sup>70</sup> It operates alongside a smaller Indonesian police presence that includes a paramilitary mobile brigade trained in riot control.

To address this imbalance, the resources of the Timorese unit need to be strengthened. Simply increasing its numbers would be less effective than improving training. Though international police have been part of the UN Integrated Mission in Timor-Leste for three-and-a-half years, UPF members posted at isolated border posts in Oecusse said they had "never" seen them.<sup>71</sup> This is even more surprising, since technically the UPF is still under UNPOL command. The UN mission has had difficulty attracting officers with border expertise, and the UPF has had more contact with military liaison officers, whose training role is limited.<sup>72</sup> Bilateral programs focused on border tasks would be helpful, but given the limited threats, simple lessons in map reading, local laws and community interaction could be just as helpful.

### 3. Defining clear roles for the militaries on the border

A question mark hangs over the Timorese military's role in border defence.<sup>73</sup> The constitution mandates the armed forces to "guarantee ... territorial integrity and the freedom and security of the populations against any aggression or external threat".<sup>74</sup> The creation of a police border patrol unit by the interior minister in 2003 was undertaken in the absence of a national security policy and created confusion over what role remained for the military. The current government's initial plans included the explicit intention to "close down the UPF and transfer its competencies to the Defence Ministry through the involvement of the F-FDTL [military] units", a vision it now looks unlikely to pursue.<sup>75</sup> One reason the military was not given a routine border patrol role in the beginning was fear that having soldiers in close contact with Indonesian military and militia would in itself constitute a security threat.<sup>76</sup> A decade on, it is said the F-FDTL is now seeking a memorandum of understanding to train with its former enemies.<sup>77</sup>

Many in Oecusse raise similar, if more limited, concerns today. There has never been a standing Timorese military presence in the enclave. Officials were familiar with proposals for a small deployment, likely to serve in a liaison role. No clear plans have been made public, although the F-FDTL's new concept of operations underscores the importance of flexibility in improving operations at the borders, including Oecusse.<sup>78</sup> There are also plans to use defence funding to create a communications connection to the Citrana post for use by the border guards, a reflection of efforts by the government to share resources between the security and defence forces as well as a spirit of cooperation between those forces.<sup>79</sup>

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<sup>67</sup> Final report prepared for the defence and security ministry workshop on border management, 18 May 2009.

<sup>68</sup> Shortly thereafter, the Oecusse company commander was removed and reassigned to headquarters. Crisis Group interview, UPF commander, Batugade, 20 April 2010.

<sup>69</sup> At the Citrana post near Naktuka, for example, only five members of the UPF face three Indonesian military posts with a combined strength of 45. Crisis Group interviews, Citrana border post, 16 March 2010.

<sup>70</sup> Laporan Pelaksanaan dan Evaluasi, Komando Pelaksana Operasi Korem 161/Wira Sakti, ["Evaluation and implementation report, Military District 161/Wira Sakti, Operation Implementation Command"], TNI, January 2010. The taskforce is headquartered in Atambua, with some 650 troops drawn from one rotating unit, since January 2010 the Lombok-based 742 infantry battalion. Some local tensions have calmed since they replaced members of the Kefamenanu-based 744 battalion.

<sup>71</sup> Crisis Group interviews, UPF members, Quibiselo, 26 June 2009; Citrana, 16 March 2010.

<sup>72</sup> See "Report of the Secretary-General", 12 February 2010, *op. cit.*, para 46. A group of 33 military liaison officers serving with the UN mission in Timor-Leste are mandated to provide impartial liaison between security forces on either side of the border.

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<sup>73</sup> Formally known as Falintil-Forças de Defesa de Timor Leste or F-FDTL.

<sup>74</sup> Constitution of the Democratic Republic of Timor-Leste, Article 146.

<sup>75</sup> The current government took power in August 2007. See "IV Constitutional Government Program 2007-2012", prime minister's office, October 2007, p. 67.

<sup>76</sup> Many soldiers were drawn directly from the ranks of the FALINTIL (Forças Armadas de Libertação Nacional de Timor-Leste) resistance forces. Edward Rees, "Under Pressure: Three Decades of Defence Force Development in Timor-Leste 1975-2004", Geneva Centre for the Democratic Control of Armed Forces (DCAF), working paper no. 139, April 2004.

<sup>77</sup> Crisis Group interview, senior Indonesian military officer, 5 November 2009.

<sup>78</sup> "Operational Concept of the Armed Forces", Government Resolution 6/2009, approved by the council of ministers 9 December 2009.

<sup>79</sup> The radio repeater at Citrana border post has been out of order since 2005, cutting off the post from any communications.



A liaison or back-up presence in Oecusse would bring the enclave into line with Covalima and Bobonaro, two districts where the army has taken its first formal step towards a routine border role. In May 2009, a platoon was deployed to static posts in each of those districts. These 30-soldier units provide an operational support role, as well as better resources and equipment.<sup>80</sup> There has so far been little evidence of tensions between the military and the police, even if the former's role has sometimes blurred into supplementing local security patrols by the police. In Maliana, they are also well known for regularly controlling the activities of martial arts groups in the town.<sup>81</sup>

Concern that a military presence might provoke new tensions may have weakened after the border incidents described above. A limited military presence would likely mobilise more resources, especially transport and radio communications. Several Oecusse officials recently pointed to the benefits of a "coordination" role the army might be able to play in the district capital, Pante Makassar, by acting as liaison for relaying information to Dili.<sup>82</sup> Most locals seem to agree, however, that a presence *on* the border is out of the question. Another area for developing military cooperation is maritime security, where police in effect have no role at present, despite widespread awareness that smuggling and illegal border-crossings are occurring at sea.<sup>83</sup> This is also a challenge for Indonesian police, who have limited maritime capacity.<sup>84</sup> Timor-Leste's first two naval vessels are due to arrive in May 2010 and be based at Hera, until facilities are available on the south coast.<sup>85</sup>

Bolstering the Timorese military's border functions may also go hand in hand with recent steps towards bilateral cooperation with the Indonesian armed forces. Timor-Leste has assigned a defence attaché to Jakarta for the first time, and hopes to sign a memorandum of understanding with the Indonesian defence ministry that would pave the way

for direct cooperation.<sup>86</sup> In the context of slowly increasing ties between the armed forces, a Timorese military presence might increase on-the-ground cooperation, by presenting a more natural partner for communication with Indonesian counterparts. It would also shift the dynamics of the relationship, if individual soldiers prove less ready to act in the same frequently deferential manner as the border police.

Indonesia's medium-term plans for the border are to reinforce its military presence with a new infantry battalion and an armoured cavalry company.<sup>87</sup> It intends to go ahead despite strong local opposition, particularly from the Catholic Church.<sup>88</sup> As part of these reinforcements and a nationwide effort to improve frontier security, the TNI inaugurated in February 2010 the 21st Infantry Brigade (Komodo), headquartered in Kupang *kabupaten*.<sup>89</sup> Strategists describe this as part of a long-term doctrinal shift to put at least a brigade on every land border, not a response to any real or perceived threat from Timor-Leste or from within the NTT.<sup>90</sup> The TNI has argued that the extra battalion will also be good for the local economy and useful in natural disasters.<sup>91</sup> Local political and church leaders consider more troops socially disruptive and say there is no security or economic justification for them.<sup>92</sup>

The TNI's border role is clearly enshrined in both national law and military doctrine. A civilian-run border is not a realistic prospect in the medium term.<sup>93</sup> The Timorese

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No mobile phone reception is available in the area. Crisis Group interview, secretary of state for defence, Dili, 10 December 2009.

<sup>80</sup> Crisis Group interview, border patrol unit commander, Batugade, 20 April 2010.

<sup>81</sup> Crisis Group interviews, Maliana residents, 22 February 2010.

<sup>82</sup> Crisis Group interviews, Pante Makassar, 16-17 March 2010.

<sup>83</sup> The police maritime unit is based not far from the border at Atabae, but its operations are limited. It does not currently play a role in maritime border control. Crisis Group interview, UPF commander, Batugade, 20 April 2010.

<sup>84</sup> Crisis Group interview, senior police officer, Atambua, 20 April 2010.

<sup>85</sup> "Maiu ro'o rua F-FDTL to iha TL" ["In May, two F-FDTL boats arrive in TL"], *Suara Timor Lorosae*, 10 April 2010.

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<sup>86</sup> Crisis Group interviews, secretary of state for defence, Dili, 9 December 2009; senior Indonesian military officer, 5 November 2009.

<sup>87</sup> "TNI Lanjutkan Pembangunan Yonif di TTU" ["TNI going ahead with the development of infantry battalion in TTU"], press release, TNI-AD, 1 July 2009.

<sup>88</sup> "Tanggapan Dandim 1618/TTU terhadap Surat Bupati TTU Nomor: Pem.130/143.a/VI/K/2009 tanggal 26 Juni 2009" ["Reaction of District Military Commander 1618/TTU to the TTU Bupati's letter"], Kefamenanu, 4 July 2009.

<sup>89</sup> "Pangdam Udayana akan resmikan Brigif 21/Komodo" ["Udayana military commander inaugurates 21st Infantry Brigade/Komodo"], *Antara*, 18 February 2010.

<sup>90</sup> Crisis Group interview, senior TNI officer, 5 November 2009. Indonesia's other land borders are with Papua New Guinea and Malaysia.

<sup>91</sup> "TNI Lanjutkan Pembangunan Yonif di TTU" ["TNI going ahead with the development of infantry battalion in TTU"], press release, TNI-AD, 1 July 2009.

<sup>92</sup> Crisis Group interviews, Raymundus Fernandez, deputy bupati, TTU, Kupang, 8 February 2010; Bishop Dominikus Saku, Atambua, 20 April 2010.

<sup>93</sup> See "Ancaman Militer Sesuai Dengan Doktrin TNI Tri Dharma Eka Karma" ["Military Threats according to the TNI Tri Dharma Eka Karma doctrine"], Law no. 3/2002 (State Defence), media release, TNI, 10 May 2007; "Buku Putih Pertahanan Indonesia 2008" ["2008 Indonesian Defence White Paper"], Indonesian defence department, 2008.

leadership seems unconcerned by the extra Indonesian troops and regards the increase as a domestic matter, while noting the need to move towards a more efficient system of communication at the border.<sup>94</sup> Both sides will need to work constantly to maintain this level of mutual understanding. More formal meetings, joint training exercises, exchanges and increased regular communication can ensure that a relaxed attitude prevails when new units are deployed in coming years. The reciprocal posting of a military attaché in Dili would be a tangible step toward increased understanding.<sup>95</sup>

#### IV. PENDING JUSTICE ISSUES

The legacy of the violence and massive displacement in Oecusse following the 1999 referendum poses risks that are more political than security-oriented. Militia who fled across the border were a formidable potential threat in the early years following Timor-Leste's secession. Perceptions of this threat led to border policies that isolated the enclave further, by emphasising security rather than exchanges. But the militias have been disbanded, and the individuals that comprised them have no designs on the enclave. While some may retain an interest in destabilising the new country's politics, the focus of their efforts would be Dili.

In Oecusse, the political challenges posed by unresolved issues over how or whether the two countries will pursue accountability for post-1999 referendum violence may be more pronounced due to proximity. The leaders of the Sakunar militia live within a few kilometres of the border. The former commander, Simão Lopes, and deputy commander, Laurentino "Moko" Soares, live just beyond the two official immigration posts at Wini and Napan.<sup>96</sup> Neither has returned to Oecusse since 1999, although they maintain close family links within the enclave.<sup>97</sup> Along

with nine other members of Sakunar, they were indicted in 2001 by the UN Transitional Administration and are subject to arrest if they do return.<sup>98</sup> Indonesia has so far taken no steps to arrest them. Soares says he has no interest in returning until he retires from his Indonesian civil service post in 2022, while Lopes would like to go back but is unwilling to stand trial.<sup>99</sup> Other militia leaders have returned illegally for brief visits and appear to have been peacefully, if tentatively, received by the community.<sup>100</sup>

Two recent national developments have obscured rather than clarified resolution of 1999 cases.

- In June 2008, the Commission on Truth and Friendship, a joint initiative of the Indonesian and Timor-Leste governments, delivered its final report. Many alleged perpetrators who fled East Timor in 1999 believe it provided a form of amnesty for crimes committed around the time of the referendum.<sup>101</sup> But while it emphasised institutional rather than personal accountability, it specifically ruled out amnesty.<sup>102</sup>
- In August 2009, Maternus Bere, a local commander of the Covalima-based Laksaur militia, was detained on a visit to Suai in Timor-Leste under an indictment issued by the Serious Crimes Unit.<sup>103</sup> After concerted pressure from Jakarta, Bere was returned to Indonesia

<sup>94</sup> "Governo admite que reforço military indonésio 'até pode ser benéfico'", Notícias Lusófonas, 29 April 2010.

<sup>95</sup> Crisis Group interview, Indonesian Ambassador Eddy Setiabudhi, Dili, 26 January 2010.

<sup>96</sup> The border crossings are known by different names on each side of the border. Simão Lopes, leader of the Sakunar militia, lives in Wini, 5km from the Sakato-Wini border crossing, where he runs a small *losmen* (hotel), sometimes used by Timorese travelling from Dili to Oecusse who fail to make it to the border before it closes. Soares, the deputy, now lives in Napan, near the border crossing at Oesilo. Crisis Group interviews, Simão Lopes, Wini, 18 Mar 2010; and Laurentino Soares, Kefamenanu, 10 February 2010.

<sup>97</sup> Passabe villagers reported regular visits to Moko's house, as a form of confidence-building measure between the communities. Crisis Group interview, Passabe, 22 November 2009; Laurentino Soares, Kefamenanu, 10 February 2010.

<sup>98</sup> See UNTAET general prosecutor's indictment in case no. OE-12-99-SC, 27 September 2001, at [www.yayasanhak.minihub.org/mot/event5.htm](http://www.yayasanhak.minihub.org/mot/event5.htm).

<sup>99</sup> Crisis Group interviews, Simão Lopes, Wini, 18 Mar 2010; and Laurentino Soares, Kefamenanu, 10 February 2010.

<sup>100</sup> For example, the *aldeia* (chief) in Passabe told of the return of Gabriel Kolo a few years ago for a family funeral: "he was in tears! And he came to ask for our forgiveness". Crisis Group interview, Passabe, 22 November 2009.

<sup>101</sup> Crisis Group interviews, former militia members, Kupang, 25 February 2010; Atambua, 19 April 2010.

<sup>102</sup> The Commission on Truth and Friendship was mandated to examine amnesty recommendations. It determined that amnesty was not suitable, since none of those who participated in its hearings process met the criterion of "telling the complete truth and 'full cooperation' as determined by the Commission". It found further that "amnesty would not be in accordance with [the Commission's] goals of restoring human dignity, creating the foundation for reconciliation between the two countries and ensuring the non-recurrence of violence within a framework guaranteed by the rule of law". See "Per Memoriam ad Spem: Final Report of the Commission on Truth and Friendship", chapter IX: recommendations and lessons learned, pp. 296-297.

<sup>103</sup> Indictment of the deputy general prosecutor for serious crimes in case no. 09/CG/TDD/2003, Dili District Court, 28 February 2003, at [www.laohamutuk.org/Justice/99/09-2003MaternusBereIndictment.pdf](http://www.laohamutuk.org/Justice/99/09-2003MaternusBereIndictment.pdf). At least 40 people were killed by members of the Laksaur militia in Suai church on 6 September 1999. Bere served as a company commander for the Laksaur militia in Suai town.

on the pretext of needing medical treatment.<sup>104</sup> He returned to a job as a low-level civil servant in Belu district, and there are no follow-up legal proceedings in the case.<sup>105</sup> It led to an unsuccessful no-confidence motion in the Timor-Leste parliament in October, but the government remains unwilling to bring the indicted man to trial in the interests of “reconciliation and magnanimity” with Indonesia.<sup>106</sup>

For Oecusse residents, and for those indicted there and elsewhere, the situation remains unclear, though most live with the understanding that the indicted will some day return. “Can I come back or not? We are confused. And if I can come back, do I enter with a passport or through other channels?”<sup>107</sup> The district police commander and district administrator, among others, have met with former Sakunar leaders to extend the invitation to return, but tell them they must be ready to face prosecution.<sup>108</sup> Their return would not pose security problems – they would simply be arrested – but there is uncertainty, after the Bere case, about what would happen next.

Oecusse was spared the pressure that former militia in NTT threatened to exert if Bere was not returned: attacks on Timorese students at university in Indonesia and harassment of cars with Timorese licence plates. But until such lingering ambiguity is removed, these cases will colour all border relations. The return of those who have fled may be a prerequisite for restoring the social order, but in the absence of trials either in Indonesia or domestically, a villager noted, “we ... wonder how it can be that if you hit your spouse you are put in jail over night, but if you kill many people you are free”.<sup>109</sup>

Another factor that could aid normalisation and secure long-term stability for the enclave would be the return of a different group of those displaced in 1999: those who

were able to maintain employment with the Indonesian civil service or simply felt safer with family on the other side.<sup>110</sup> As they reach retirement age, these people are likely to return in greater numbers.<sup>111</sup> A group of seven families living near Kefamenanu returned in 2009, in a repatriation organised by an Indonesian priest. An official laughed at the idea they would waste time and money crossing at the immigration post and explained they returned illegally on foot using *jalan tikus*.<sup>112</sup> After six months residence without a criminal record, they will be treated as regular Timorese citizens.<sup>113</sup> The return of other such families will test the ability of the country’s evolving land tenure system to peacefully resolve conflicting claims. So far, informal mediation services appear to be resolving disputes.<sup>114</sup>

## V. FOSTERING EXCHANGE

Oecusse’s survival is underwritten by informal systems that enable a legally rigid border arrangement to tolerate the unregulated passage of people and goods into and out of the enclave. While such grey methods work on a day-to-day basis, they also expose local communities to high levels of uncertainty and make them vulnerable to exploitation. Security-related tensions, such as those that have periodically flared in Naktuka and Passabe, for example, could temporarily shut down much of the (illegal) cross-border traffic. The challenge is to find an inexpensive way to have legal trade and exchanges that does not expose communities on both sides to the threat of abuse by corrupt officials.<sup>115</sup>

<sup>104</sup> Indonesian pressure included the refusal of then foreign minister Hassan Wirajuda to attend the ten-year anniversary of Timor-Leste’s referendum until Bere had been transferred to intermediate detention at the Indonesian embassy in Dili. Private communication, senior UN official, 5 September 2009.

<sup>105</sup> Crisis Group interview, Belu district police chief, Atambua, 20 April 2010.

<sup>106</sup> President José Ramos-Horta, “Timor-Leste: The Decade of Peace and Prosperity”, speech to the thirteenth session of the Human Rights Council, Geneva, 11 March 2010.

<sup>107</sup> Crisis Group interviews, Simão Lopes, Wini, 18 March 2010; former East Timorese refugees, Kupang, 25 February 2010; Atambua, 19 April 2010. Bere passed several police checks and entered by land at Salele, the southern border crossing, on a tourist visa. Former East Timorese in NTT said he should not have been arrested as he entered legally, with a passport.

<sup>108</sup> Crisis Group interview, PNTL district commander, Pante Makassar, 17 March 2010.

<sup>109</sup> Crisis Group interview, Passabe village, 22 November 2009.

<sup>110</sup> Separate figures for former Oecusse residents are not available, but an Indonesian military source gave the “new citizens” (*warga baru*) living in TTU *kabupaten* (chiefly inhabited by ex-refugees who fled Oecusse), as 5,318. “Laporan Pelaksanaan dan Evaluasi”, op. cit.

<sup>111</sup> Crisis Group interview, Fr. Aloysius Kosat, Kefamenanu, 10 February 2010.

<sup>112</sup> Dirt foot tracks, literally “mouse paths”. Crisis Group interview, Oecusse district administrator, Pante Makassar, 17 March 2010.

<sup>113</sup> Ibid.

<sup>114</sup> Crisis Group interview, land and property director, Pante Makassar, 25 November 2009.

<sup>115</sup> Most observers deem mobility of goods and people to be key to sustainable development among border communities. See Ganewati Wuryandari, Bob Sugeng Hadiwinata and Firman Noor, “Road Map Menuju Terwujudnya Keamanan Komprehensif di Perbatasan Indonesia-Timor Leste” [“The roadmap towards the materialization of comprehensive security on the Indonesia-Timor Leste border”], in Ganewati Wuryandari (ed.), *Keamanan di Perbatasan Indonesia-Timor Leste: Sumber Ancaman dan Kebijakan Pengelolannya* [Security on the Indone-

## A. PASSAGE OF PEOPLE

The only legal form of border crossing from Oecusse is with a passport and visa at one of two official border points, Sakato or Bobometo. For reasons of cost and convenience, legal border crossings are not practical for most people.<sup>116</sup> Consequently, a variety of informal methods for crossing have sprung up. The border patrol commander explains that he has instructed his officers to “help people cross the border as long as they can control [them]”.<sup>117</sup> The vast majority of cross-border traffic is illegal, even if much of it takes place under the watch of officials on either side. The process varies from post to post: it can involve either providing a letter of certification from the local village chief or simply surrendering an identity card.<sup>118</sup> The convention is that trips are limited to three days.

Some officials on both sides explained that passage under such systems is granted only to those whose “safety could be guaranteed” across the border.<sup>119</sup> It is sometimes more a matter of supplementing income for border officials. Fees were said to vary between \$1 and \$20 on each side. This local fix offers those crossing no way of proving their identity if they are questioned by officials on the other side. There are unconfirmed stories of people who have been picked up by border security forces for being illegally in the other country then disappearing for long periods.<sup>120</sup>

A border pass system designed to allow “traditional border crossings”, such as for family visits, ceremonies and funerals, was agreed in 2003; although widely publicised,

it has not yet been implemented.<sup>121</sup> Under the terms of the original agreement, residents of border communities would receive an identity card that would allow multiple crossings of up to ten days.<sup>122</sup> This would bring border crossings in Timor-Leste into line with the system on Indonesia’s two other land borders, with Malaysia and Papua New Guinea. Although it is now reportedly nearing implementation,<sup>123</sup> it has been held up by minor technical disagreements.<sup>124</sup> The border pass system will bring the most benefits if it is easy to obtain, cheap and does not require residents to travel long distances to designated crossing points. Otherwise, residents will not use it, and the benefits of regularised border crossings, including lessening the vulnerability of the population to corrupt practices, will be lost.<sup>125</sup>

While the border pass system would facilitate local border crossings, it would do nothing to facilitate traffic between Oecusse and the rest of the country, which is expensive and erratic. Only residents of border sub-districts are to be eligible for the pass and only for trips of a limited distance.<sup>126</sup> The ferry that operates twice weekly between Dili and Oecusse is expensive, and it is often out of service.<sup>127</sup> Travelling overland requires multiple permits that are costly and time-consuming to obtain. A visa-free land corridor linking Oecusse with Timor-Leste is not being actively considered. It was put on hold during the UN transitional administration due to concerns that Timorese

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*sia-Timor Lest border: Sources of threats and policies for their management*] (Yogyakarta, 2009), pp. 356-363.

<sup>116</sup> A Timorese passport costs \$30 and is only available in Dili. A single entry Indonesian visa is \$45 and requires three working days at the embassy in Dili or a week via the consulate in Pante Makassar (opened in 2008). The World Bank calculated the poverty line at \$0.88 a day in Timor-Leste and found that in 2007 nearly half of the population was below it. See “Quick facts” from Timor-Leste country brief at <http://web.worldbank.org>.

<sup>117</sup> Crisis Group interview, Batugade, 20 April 2010.

<sup>118</sup> The system of permission letters (often referred to by their Indonesian name, *surat jalan* or *surat izin*) was introduced under the UN administration but officially discontinued upon the introduction of Timor-Leste’s first immigration law in 2003.

<sup>119</sup> This would allow screening for accused at the two official crossing points, but there appears to be no coordination with immigration officials. Crisis Group interview, village official, Haumeniana, 19 March 2010.

<sup>120</sup> Presumably they are eventually returned to their home community, but the irregular flow of information across the border means there are questions about the fate of many. Crisis Group interviews, Raymundo Efi, Fundasaun Fatu Sinai Oecusse, 27 November 2009; and Viktor Manbait, Lakmas Cendana, Kefamenanu, 23 February 2010.

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<sup>121</sup> “Agreement between the Government of the Republic of Indonesia and the Government of the Democratic Republic of Timor-Leste regarding traditional border crossings and regulated markets”, 11 June 2003; approved by Timor-Leste’s parliament under Resolution 21/2008 on 13 October 2008.

<sup>122</sup> Only citizens in sub-districts (*kecamatan*) on either side of the border will be eligible. Under these terms, all Oecusse residents will be eligible. Visits permitted by the border pass are likely to be limited to an agreed distance from the border. Crisis Group interview, UPF commander, Batugade, 20 April 2010.

<sup>123</sup> Ferdy Hayong, “PLB diberlakukan di perbatasan RI-RDTL” [“PLB to be put into effect on the RI-RDTL border”], *Pos Kupang*, 28 March 2010.

<sup>124</sup> A participant at the most recent high-level meeting between the two countries in Bali in January explained that agreement by the Timorese to one, not two forms of border pass (one reserved for commercial traffic) was a significant step forward. Crisis Group interview, Dili, 25 January 2010.

<sup>125</sup> A long-term alternative may be to allow residents to use their electoral cards or other government-issued identification, but this may require harmonisation of identity documents over time.

<sup>126</sup> This includes all of Oecusse. The 2003 agreement also grants eligibility for the border pass to residents of the island of Alor, some 30km north of Timor, because it shares a maritime border.

<sup>127</sup> The Berlin-Nakroma ferry, which plies the thirteen-hour Dili-Oecusse route twice a week, was sent to Surabaya in June 2009 for repairs, and it was roughly a month before a replacement boat entered into service. There are plans to introduce flights between Dili and domestic locations, including Oecusse, but it is unclear how soon.

road traffic might be attacked. While that threat has evaporated, the proposed lifeline to the enclave has never materialised.

## B. PASSAGE OF GOODS

Given the difficulties of accessing markets and disparities in the prices of basic goods, smuggling along the border cannot be eliminated. The strengthening in recent years of the Indonesian rupiah against the U.S. dollar may have accounted for some decrease in the desirability of Indonesian goods.<sup>128</sup> The price differences are such that a large range of basic household goods that are subsidised in Indonesia will always prove attractive to illegal trade, particularly as large-scale distribution networks are weak in the enclave. Other than the main road east to Sakato and the Indonesian border, Oecusse's main roads all pass through riverbeds, where bridges have never been built or have been washed away, cutting off access to much of the district during the wettest months, December until March.<sup>129</sup> As a result, prices soar during the rainy season. The sub-district of Passabe is particularly isolated, since travel from the main town requires at least two river crossings.<sup>130</sup>

As elsewhere in Timor-Leste, internal transport remains expensive. The going rate for what limited public transport exists on the three-hour drive between Citrana and Oecusse's main market at Pasar Tono is \$7 return, and \$1 for each item carried.<sup>131</sup> With such high costs for such a poor population, the doubling of prices for basic goods in the rainy season is added incentive to smuggle. Poor distribution networks lead to staggering price differentials. Passabe villagers explained that they would walk a day down to the plains near Citrana to buy cattle at \$150 a head and then return to the border areas near their village to sell them for up to \$700 each.<sup>132</sup> Petrol legally sold in Oecusse is twice-imported: by ship from Indonesia to

Dili, then by overland tanker convoy to the enclave. This requires bringing it back into Indonesia and then once more into Timor-Leste.<sup>133</sup> The price is subject to shocks and always higher in the enclave than in the capital. In July 2009, it climbed to \$2 a litre when it was selling in Dili for roughly \$0.80.<sup>134</sup>

While the economic incentives are great, the legal constraints to smuggling are weak on both sides of the border. Indonesia's oil and gas law forbids unauthorised transport or sale of subsidised fuel outside the country.<sup>135</sup> In July 2008, police caught a minibus near the border with 934 litres of kerosene destined for Timor-Leste.<sup>136</sup> Like a number of others, this case was dismissed. The Belu district court that covers the region contiguous to Timor-Leste has ruled that those caught with fuel inside Indonesia have not yet committed an offence as it is difficult to prove intent.<sup>137</sup> With no way to take smugglers to court, police can only seize the fuel. In 2008, fourteen cases of fuel smuggling were investigated by Indonesian detectives. To date, there have been none this year.<sup>138</sup> Timorese police complain of the trade in cheap motorcycles, while their counterparts say Indonesian laws are only broken if a vehicle is imported the other way.<sup>139</sup> There are also legal anomalies on the Timorese side, where the import of air rifles without proper permits is prohibited, but there are no regulations to guide police on drug trafficking.<sup>140</sup>

In such an environment, authorities on both sides turn a blind eye to a certain level of activity. While the Indonesian army has a formal role to prevent leakage of subsidised goods, it privately admits it must allow some smuggling ("How else would Oecusse survive?").<sup>141</sup> Timorese

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<sup>128</sup> Indonesia rupiah traded under 9,000 to one U.S. dollar, the currency used in Timor-Leste, on 13 April, having increased in value by 25 per cent in a year; see "Rupiah's rise should remove all doubts", *The Jakarta Globe*, 14 April 2010. The rupiah's strength is likely to have the opposite effect on exports from Oecusse.

<sup>129</sup> "Kondisi jalan Ambeno menuju Citrana buruk" ["The condition of the Ambeno road to Citrana is poor"], *Suara Timor Loroosae*, 19 April 2010.

<sup>130</sup> Before independence, the main route travelled via Kefameanu on the other side of the border. The advent of an international border means this route is now closed.

<sup>131</sup> The cost of a journey is roughly equivalent to a box and a half of instant noodles (36 packets), or ten litres of kerosene.

<sup>132</sup> Cattle were a major export for the enclave in the Indonesian era but volume fell after 1999, as many who fled across the border took cattle with them.

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<sup>133</sup> A medium-term aim is to upgrade Oecusse's port so it can receive international shipments. In the meantime, a customs mechanism that would allow fuel and other basic supplies to arrive directly from the nearby Indonesian port of Wini might be helpful.

<sup>134</sup> Generally, \$1.25 a litre, nearly 50 per cent higher than Dili. In Indonesia, subsidised diesel/petrol sells for a fixed price of 4500 rupiah (\$0.50). In March 2010, a litre of petrol was available at most roadside stands in Oecusse for \$1.

<sup>135</sup> Section 55, law no. 22/2001 (oil and natural gas).

<sup>136</sup> "Data penanganan kasus BBM bulan Juli S/D Agustus 2008" (Fuel cases data July-August 2008), Belu police, Criminal Investigation Division, August 2008.

<sup>137</sup> "Penegah hukum terhadap penyalahgunaan tata niaga dan alokasi BBM di Kab. Belu" [Legal opinion concerning the abuses in trade and allocation of fuel in Belu *kabupaten*], Pahala Simanjuntak, head, Belu District Court, 2 March 2009.

<sup>138</sup> "Data kasus perbatasan" ["Border case data"], NTT Provincial police, Belu, 20 April 2010.

<sup>139</sup> Crisis Group interview, senior Indonesian police officer, 20 April 2010.

<sup>140</sup> Crisis Group interview, senior Timorese police officer, 19 April 2010.

<sup>141</sup> Crisis Group interview, senior TNI officer, 5 November 2009.

border guards point out the established *jalan tikus* for nightly trading of kerosene.<sup>142</sup> Villagers explain how under cover of darkness, they meet nightly with family at the border to exchange all sorts of household goods.<sup>143</sup>

While looking the other way allows the border to function, it makes local people vulnerable. Beyond the *uang rokok* (cigarette money) that villagers pay soldiers, police or customs officials, there are reports of physical harassment and the occasional shutting down of access during times of security pressure. A farmer explained in November 2009 how after tensions rose at Cruz, he and other traders stopped crossing into Indonesia to buy goods, as they feared some form of TNI retaliation. Instead, he went to Dili, at least a four-day return trip. The ultimate source of goods remained the same, as he was able to buy clothes in Dili's Kampung Alor neighbourhood, the long-time centre for Indonesian traders.<sup>144</sup> Even within Oecusse, residents reported unhappiness with apparent shifts in how much attention the UPF pays to smuggling and the inconsistent level of harassment.

Women disproportionately bear the risk under this informal system. They are the ones who most often cross the border with smuggled goods, while the security forces are exclusively male. Engaged in strictly illegal activity, women are not always in a strong position to report theft, harassment or violence.<sup>145</sup> Communities in Indonesia complain there is no legal recourse for abuse by the military or police.<sup>146</sup> Placing more policewomen on the border is a possible solution, but to date, female members of the Timorese border patrol unit have been limited to administrative duties away from border posts. While the presence of policewomen might lessen gender vulnerability, it is difficult to imagine a setup that would allow a mixed presence at border stations at present, as these are often isolated, without separate quarters and involve tours of up to a month.<sup>147</sup> As facilities improve in the coming years, there will be increased scope for posting female officers there, though the unit's current commander also argues that cultural constraints may make it difficult for women to be posted too far from home.<sup>148</sup>

Given the inherent difficulties of patrolling a porous border, the two governments should look for ways to facilitate trade, particularly with Oecusse. The 2003 agreement proposing a border pass system also described an arrangement for border markets, an initiative that has remained similarly stalled.<sup>149</sup> Several markets have been built but not yet opened. They would allow both communities to buy and sell goods in controlled areas at the border. The appeal for locals would not only be economic. They would also provide a place for social exchange and building ties between communities still divided by lingering mistrust.<sup>150</sup>

Opening border markets would be a step toward providing Oecusse's residents regular access to many basic goods. Increasing regular cross-border trade would bring great benefits, by increasing the enclave's economic self-sufficiency.<sup>151</sup> Rice, cattle and soy and mung beans are among its potential exports, but legal channels for such exchange do not exist.<sup>152</sup> The border markets would provide a limited legal distribution outlet for local produce, particularly in the absence of improved infrastructure and trade-facilitating border controls. Only freer flows of goods across the border would fully benefit Oecusse's economy. Residents are already concerned the planned markets are not in natural trading areas, and rental rates for stalls are too high. This setup may advantage outside traders at local communities' expense.<sup>153</sup> There could also be problems if market openings were immediately accompanied by tougher smuggling controls. For example, the 2003 agreement prohibited trading of cooking kerosene – the one item everyone said is exchanged daily (the price of a five-litre jerry can is roughly

<sup>142</sup> Crisis Group interviews, UPF border posts, 26 June, 24 November 2009.

<sup>143</sup> Crisis Group interviews, villagers, Passabe, 24 November 2009.

<sup>144</sup> Crisis Group interview, trader, Pasar Tono, 22 November 2009.

<sup>145</sup> A well-known case of rape reported to a local NGO in 2003 was cited by many NGO workers dealing with border issues.

<sup>146</sup> See "Pemetaan Krisis dan Potensi Konflik di Enam Kecamatan" ("Mapping of Crisis and Potential for Conflict in six sub-districts"), report, CIS-Timor, March 2009.

<sup>147</sup> Crisis Group interviews, Oecusse UPF company commander, Pante Makassar, 17 March 2010.

<sup>148</sup> Crisis Group interview, UPF commander, Batugade, 20 April 2010.

<sup>149</sup> "Agreement ... on traditional border crossings and regulated markets", June 2003, op. cit.

<sup>150</sup> Crisis Group interview, Arnol Suni, Fundasaun Fatu Sinai Oecusse, Pante Makassar, 18 March 2010.

<sup>151</sup> Broader studies of cross-border trade between the two countries have highlighted the obstacles posed by poor infrastructure as well as the mutual benefits of trade integration on the island. See "Rapid Assessment of Timor-Leste – Indonesia Border Community and Trade Issues", The Asia Foundation, 30 September 2009; and "Trade and Growth Horizons for Nusa Tenggara Timur and Timor-Leste", Asian Development Bank, South-east Asia, Working Paper Series no. 4, November 2009.

<sup>152</sup> Oecusse has the second largest cattle population per district in Timor-Leste (25,000). "Timor-Leste in Figures, 2008", Timor-Leste finance ministry, June 2009. Early studies of Oecusse's economy identified growth in cattle trade and export as a key asset in developing the enclave's economic prospects. "Oecussi Integrated Development Strategy", UNDP, June 2001.

<sup>153</sup> Some warn of the dangers in rapid liberalisation, since they would compete not so much with TTU neighbours but with supply chains that reach to the Javanese commercial hub, Surabaya. Quickly creating a special economic zone without protecting locals would seem premature. Crisis Group interview, Simon Fallo and Arnol Suni, local NGO members, Pante Makassar, 18 March 2010.

half on the Indonesian side). While figures were still kept, ten of the eleven cases of fuel smuggling caught by Indonesian police in Belu in one period were for kerosene.<sup>154</sup>

### C. DEVELOPING LOCAL GOVERNMENT

The streets of Pante Makassar are now lined with central government buildings, many of them newly finished. They bring a visible marker of Dili's commitment to developing the enclave. Staffing these buildings and ensuring they provide effective services are greater challenges, however, than building them. Key civil servants, such as the district court judge, have often proved unable or unwilling to move to the enclave. Instead, they commute from Dili, which leads to frequent unplanned absences when the boat is not running.<sup>155</sup> Other government offices have suffered from lack of qualified staff. Access for citizens to all government information is limited.

The enclave's government is small and like most of its peers has a very small non-salary budget ("for pens and envelopes", the district administrator explained).<sup>156</sup> The secretary of state for Oecusse, who heads a small office under the state administration ministry in Dili, has no real budget execution powers. The enclave is guaranteed some "special administrative and economic treatment" by Timor-Leste's constitution, but it has yet to be defined in law.<sup>157</sup> A group of over twenty, mostly Oecusse natives, has been drafting the relevant law since 2002. The current version would grant broad powers to a Special Region (Rejiaun Espesial Oe-Kussi-Ambenu), including responsibility for public order, the right to receive donor aid directly and handle some international matters, control over administrative and economic subjects and a coordination role along with Dili for natural resources.<sup>158</sup> They have been careful to avoid mention of "autonomy", considered a non-starter.<sup>159</sup>

Portugal's isolated Atlantic islands, the Azores, are sometimes cited as a possible model; the secretary of state recently did a study trip there.<sup>160</sup> Cut off by the Atlantic Ocean, they may have seemed more relevant immediately after 1999, when the militia threat seemed greatest. Today, any structural model that does not promote more economic integration with West Timor, particularly neighbouring Timor Tengah Utara (TTU), seems impractical.

Decisions on providing special treatment for Oecusse have stalled as there have been delays in the government's broader plans for decentralisation, which appear to have been put on hold in April 2010 until after the next election. There are concerns about the limited human resources available at central level and political uncertainty over how to handle the devolution of power.<sup>161</sup> District officials in Oecusse and the secretary of state are frank that some time is needed for the enclave to acquire the human resources to manage the special treatment it needs and wants, and that simply importing foreign advisers would not be a sound approach.<sup>162</sup>

In the meantime, a mechanism that would allow Oecusse to advance its own formal links with West Timor, so as to mirror the very close informal ties, would be helpful. An effort to invite the district administrator (*bupati*) from Kefamenanu to Oecusse in August 2009 for joint celebrations of Indonesia's 1945 independence and the tenth anniversary of Timor-Leste's referendum were only able to proceed with the prime minister's approval.<sup>163</sup>

## VI. CONCLUSION

Indonesia and Timor-Leste are keen to leave their violent past behind them and promote friendship between their two peoples. They could make concrete progress by taking a joint approach to management of their shared border, where security threats have sharply decreased since the latter's independence. The benefits would be greatest

<sup>154</sup> "Data penanganan kasus BBM bulan Juli S/D Agustus 2008", op. cit.

<sup>155</sup> "Tribunal distrital Oecusse la funsiona ho maksimal tanpa juiz la hela permanente iha jurisdisaun refere" ["Oecusse district court not fully functioning because the judge does not live in the jurisdiction"], Judicial System Monitoring Program (JSMP), April 2010.

<sup>156</sup> Crisis Group interview, Pante Makassar, 25 November 2009.

<sup>157</sup> Sections 5 (decentralisation) and Section 71 (administrative organisation) of the Constitution of the Democratic Republic of Timor-Leste.

<sup>158</sup> "Esbosu lei bazika, Tratamentu especial Oe-kussi- Ambenu" ("Draft law on special administration of Oecusse-Ambenu"). Tetum original provided to Crisis Group by the secretary of state's office, March 2010.

<sup>159</sup> Crisis Group interview, Fernando Hanjam, lead drafter, Dili, 14 April 2010.

<sup>160</sup> Crisis Group interview, Dili, 2 March 2010. Given increasingly close links with its neighbour, Oecusse does not face the challenges of enclaves with more hostile neighbours. Nor does its population claim a political identity in conflict with Timor-Leste as a whole. Many enclaves and overseas possessions do, however, rely upon substantial subsidies from the central government for maintaining links with the mainland, extra investment that Timor-Leste may not be in a position to make.

<sup>161</sup> "Governu kansela eleisaun munisipiu" [Government cancels municipal elections], *Suara Timor Lorosae*, 19 April 2010.

<sup>162</sup> Crisis Group interviews, Dili, 2 March 2010; Pante Makassar, 18 March 2010.

<sup>163</sup> Crisis Group interview, district administrator, Pante Makassar, 2 September 2009.



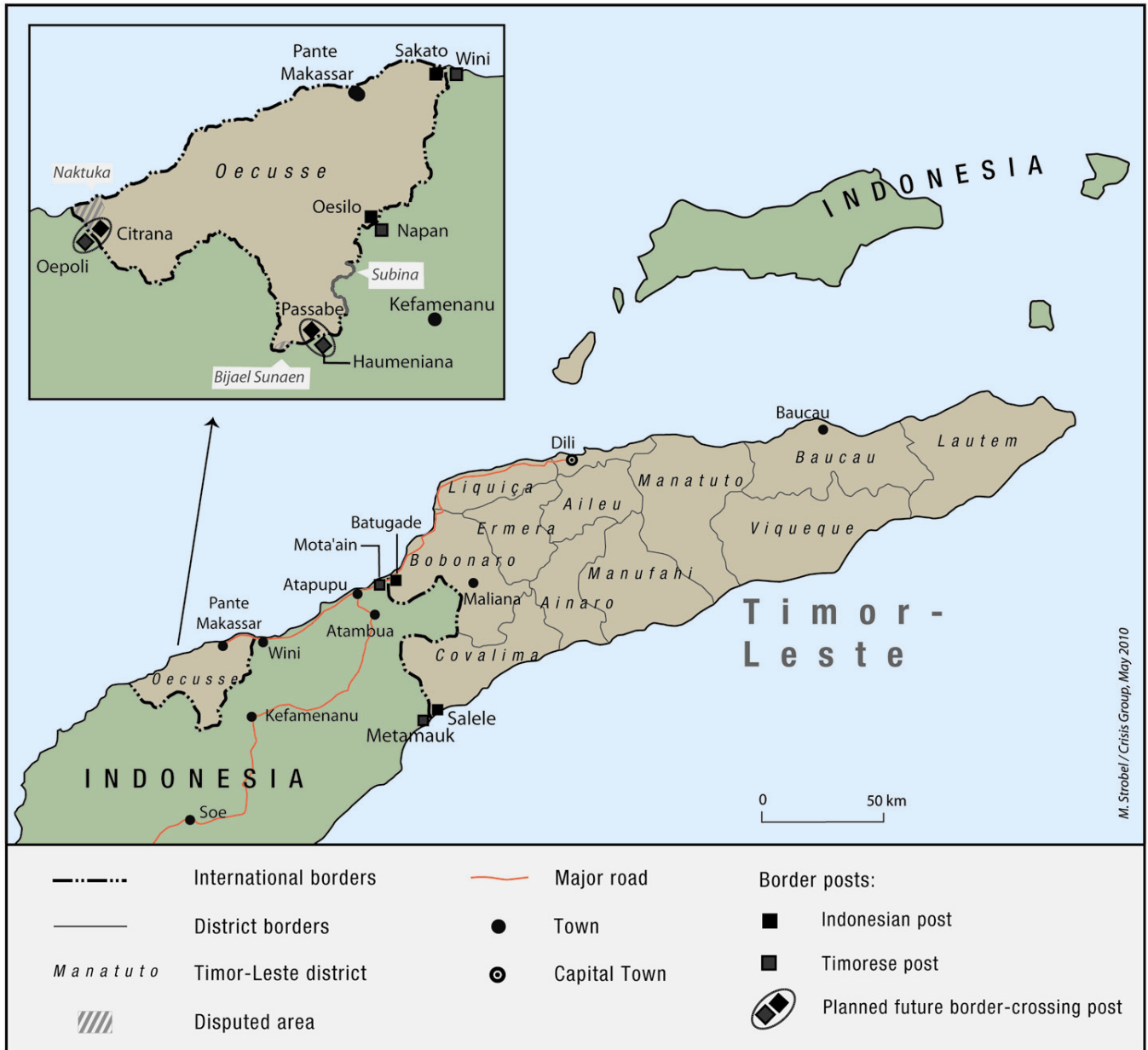
for Oecusse, which remains the most isolated and economically vulnerable of Timor-Leste's thirteen districts.

Boosting normal ties for Oecusse and the rest of the border depends more on bureaucrats and politicians than soldiers and police. Final border demarcation would be a key step; so would formalising the local governments' means for increasing communication and problem-solving. Increased security force cooperation would compliment these efforts. The sides should move quickly to implement a border pass system and border markets to promote commercial and social exchange, which would immediately benefit both communities. Steps towards civilian coordination of border matters should continue, with priority on local arrangements for managing conflict over resources and the two formal legal systems. Maintaining good ties should not be left to casual encounters at border posts by frequently rotated security forces. Peaceful border management requires cultivating contacts between civilian officials and elected governments. With shared experience and common languages, Timorese and Indonesians are well placed to resolve their own border conflicts, leaving need for international intervention to the history books.

**Dili/Brussels, 20 May 2010**

APPENDIX A

MAP OF TIMOR-LESTE



M. Strobel / Crisis Group, May 2010

## APPENDIX B

### ABOUT THE INTERNATIONAL CRISIS GROUP

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May 2010



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## **International Headquarters**

149 Avenue Louise, 1050 Brussels, Belgium • Tel: +32 2 502 90 38 • Fax: +32 2 502 50 38  
Email: [brussels@crisisgroup.org](mailto:brussels@crisisgroup.org)

## **New York Office**

420 Lexington Avenue, Suite 2640, New York 10170 • Tel: +1 212 813 0820 • Fax: +1 212 813 0825  
Email: [newyork@crisisgroup.org](mailto:newyork@crisisgroup.org)

## **Washington Office**

1629 K Street, Suite 450, Washington DC 20006 • Tel: +1 202 785 1601 • Fax: +1 202 785 1630  
Email: [washington@crisisgroup.org](mailto:washington@crisisgroup.org)

## **London Office**

48 Gray's Inn Road, London WC1X 8LT • Tel: +44 20 7831 1436 • Fax: +44 20 7242 8135  
Email: [london@crisisgroup.org](mailto:london@crisisgroup.org)

## **Moscow Office**

Belomorskaya st., 14-1 – Moscow 125195 Russia • Tel/Fax: +7-495-455-9798  
Email: [moscow@crisisgroup.org](mailto:moscow@crisisgroup.org)

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