

ANNUAL REPORT



International Federation of Red Cross and Red Crescent Societies
Fédération Internationale des Sociétés de la Croix-Rouge et du Croissant-Rouge
Federación Internacional de Sociedades de la Cruz Roja y de la Media Luna Roja
الاتحاد الدولي لجمعيات الصليب الأحمر والهلال الأحمر

TIMOR-LESTE

30 May 2006

In Brief

Appeal No. 05AA053; Appeal target: CHF 915,443 (USD 762,000 or EUR 598,000);

Appeal coverage: 177.3%.

(click here to go directly to the attached Annual Financial Report).

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Operational Context

Timor-Leste saw a basically stable political development during 2005. The relationship between Indonesia and Timor-Leste developed positively. There were limited border skirmishes in Oecusse and Bobonaro, but none affected the relationship between the two countries, which has continued to develop positively. A Truth and Friendship Commission, staged jointly by the two governments, spurred protest from groups that support the UN's position that a serious crime tribunal should be set up. In May, a church-backed ten-day protest rally in Dili against the government's policy concerning religious curricula in schools, ended peacefully with an agreement between the church and the government. There have been no serious challenges to the democracy in Timor-Leste, but a draft law penalising expressions of contempt for the government, spurred reactions from media and others. Negotiations between Australia and Timor-Leste on use of oil and gas resources in the Timor Sea finally led to an agreement, with signing scheduled for January 2006.

Timor-Leste established an oil fund based on a Norwegian model with a view to sound financial management, and the government is firm on its policy of not taking loans. Seismic tests indicate possible oil / gas resources also on territory that undisputedly belong to Timor-Leste. Financial contributions from oil and gas are going to be an important factor in Timor-Leste's future economy.

Still, Timor-Leste remains one of Asia's poorest countries, with per capita income per year under USD 370 and the world's fastest growing population. With few other industrial prospects than oil, the humanitarian needs are likely to remain comprehensive for many years.

The Cruz Vermelha De Timor-Leste (CVTL) had a very productive year in 2005. The establishment of 13 branches was completed, some 9,400 members were registered, local elections conducted and the first general assembly held in August. The general assembly passed CVTL's statutes and a draft four-year strategy, the latter based on a nation-wide vulnerability and capacity assessment (VCA), covering 52 villages.

Shortly after the general assembly, the government passed a decree law recognizing CVTL, and in November CVTL was recognized by the International Committee of the Red Cross and adopted as the 183th member of the Federation.

CVTL succeeded in taking over a property granted by the Portuguese Red Cross after a lengthy and legally difficult process. This has helped the prospect of restoring it as its new headquarters. The society continued developing its health programme, employing health staff in nine branches to run HIV/AIDS, community-based first aid (CBFA) and first aid initiatives. Expanding its activities on village level, CVTL's health programme reached thousands of beneficiaries.

There were no socio-political developments that affected the national society's work directly but a fresh UN report on Timor-Leste highlighted the need for basic rural development, including agriculture, a view that is in line with CVTL's strategy and its new livelihood programme component.

A drought and subsequent food operations in Hatu Bulico took a major part of CVTL's disaster management (DM) capacity for a lengthy period, and delayed most of DM programme activities. Efforts were initiated to engage external support to catch up on DM programme, and new staff was employed to strengthen the DM unit. Results of these efforts are expected in 2006.

Overall analysis of the health and care programme in 2005

Overall Goal: The general health condition of target population groups in Timor-Leste is improved.

Programme Objective: The capacity of CVTL to deliver quality health services to the most vulnerable in the communities is enhanced.

Achievements, Constraints and Lessons Learnt

Expected result 1: *Capacity building in health; Capacity building of CVTL staff and volunteers, especially at branch levels, to manage and monitor health activities is enhanced.*

This expected result was achieved. By the end of 2005, seven districts Oecusse, Ermera, Maliana, Lautem, Ainaro, Suai and Same had developed capacity to manage community health programmes.

A health strategic plan was disseminated to all 13 districts in the first quarter of the year. The dissemination of the draft health strategic plan was conducted in a workshop as well as in several branch visits. The plan is to be revised in a workshop coming up in the first half of year 2006. The plans of action for each programme were created and revised.

The Federation supported CVTL staff and volunteers both at national headquarters (NHQ) and district level through frequent field visits, guidance in programme development and report writing. A consultant hired by the Federation helped provided reporting support to both NHQ and branches. The delegation had a Federation health delegate working 75% from January to June and full-time from August to December.

Seven CBFA and three HIV/AIDS staff were employed in the branches and given project management training to increase their capacity for independent work. Several branches were provided computers and furniture. The

Federation supported branch building renovation in the enclave of Oecusse, but due to delays, the work is delayed until 2006.

Proposals for several bilateral donors were submitted through the year, with support from the Federation. Two branches also worked in partnership with the Ministry of Health and the World Health Organization in filariasis eradication.

CVTL's health department conducted a one-day self-evaluation at the end of the year, inviting branch staff and board members. Differences in capacity were identified, helping NHQ direct more support to weaker branches next year. Staff replacement was done in two branches.

The objective, that CVTL national headquarters / branches staff and volunteers have improved capacity to develop, implement and follow up and monitor health programmes with minimum external support was partly achieved, but more branch capacity development is needed.

Progress has been made towards the overall goal that the general health condition of target population groups is improved, but monitoring improvement in public health development is today beyond CVTL's capacity.

Expected result 2: *Water-sanitation and community-based first aid; There is provision of safe water and adequate sanitation facilities; also hygiene education and health promotion in remote areas.*

The expected result was largely achieved, but there were some delays and need for adjustments. By the end of 2005, some 6,000 people had benefited from community-based first aid (CBFA)/ water and sanitation projects and 2,000 from CBFA projects without water and sanitation.

CBFA has volunteers available in all districts, even the ones that are not running CBFA programmes. At least 70% of the target community members are considered to have increased understanding of CBFA. Five volunteers have been trained as CBFA trainers.

CBFA and health promotion activities (with or without water and sanitation) were implemented in all but three districts. CVTL achieved increasing recognition for its water and sanitation activities. The sending of a water and sanitation team to Aceh (Simulue) to assess support to PMI contributed strongly to this.

CVTL has long expertise in water and sanitation, and the programme is supported by the Federation as well as several bilateral donors. CBFA is an essential part also of the bilateral water and sanitation project.

Most of the technical work in the villages is by the target community supported by CVTL's technical teams. The target communities for water and sanitation projects are selected based on proposals from villagers and



Crispin Baptista builds a latrine with technical advice from Red Cross plumber Afonso Alves



Children fill water containers at a Red Cross-built tank in Edy

Decent water was a priority for Edy, a community about two hours' drive from Dili. The community had no safe, protected water source or latrines, and people here didn't boil water or wash their hands.

Before the Timor-Leste Red Cross started the project, Edy community members committed to improving hygiene practices, attending first aid training courses, and establishing a fund to cover ongoing maintenance costs. The village now has three sources of safe water, piped securely into the main village and stored in tank s.

The strategy of community participation and decision-making, and using local resources, marks a change in strategy for the Red Cross, which has a 15-year history of water projects in Timor-Leste.

assessments done by CVTL staff and volunteers. As the criterion is needs and not accessibility, the programme is in line with Movement's Fundamental Principles, but practical problems are to be expected.

In Maliana district, water systems and latrines were constructed and in use in the target villages by the end of the year, and this programme's structured community health education included about 3,000 beneficiaries. A cooperation project with Austrian Red Cross was implemented in Ermera but partly delayed. (see below)

Branch volunteers provided community level education in Ermera, Maliana, Cova Lima, Oecusse, Los Palos, Same and Ainaro. In some districts community volunteers also conducted public education at several schools. An eight-day CBFA training was held in target communities and others, qualifying community volunteers to train villagers to outreach to others through door-to-door education.

The CVTL health programme was also involved in activities around media and communication. During the dengue season, April-May, CVTL was involved in the anti-dengue campaign poster distribution. CVTL published articles about general health education (such as malaria) in a children's magazine called *Lafaek*, which has good coverage reaching all districts of the nation.

CVTL had planned for two rehabilitation projects supported by the Federation, both in Ermera. One of them was finished 80%, the other discarded. See below.

CVTL's objective was largely achieved, as eight CBFA projects and five water and sanitation projects were implemented, although some components were delayed.

The overall goal, general improvement of the health of target groups, is closer, but by how much is hard to assess.

Constraints

CVTL did not achieve its target of having two branches staffed with water technicians and volunteers able to manage water and sanitation programmes. The capacity of the HQ to follow up on this seems to be the problem.

As for programme delays, road conditions are problematic, as heavy materials need to be transported to the project sites on roads which seasonal rains sometimes turn into muddy rivers.

In Ermera, the Federation-funded latrine construction in one village where the Austrian Red Cross supported a new water system. The latrine construction was delayed due to the monsoon season starting in late 2005 with extreme weather conditions making sand transportation to this remote village practically impossible. The community was strongly involved in both construction of latrine and water systems, and the work will continue in 2006 as soon as weather conditions allow.

As for the rehabilitation programme, community-based health education was also included, but was partly delayed to the beginning of 2006. Because of the delays, one rehabilitation project was removed from the programme.

The CBFA programme's biggest constraint was the difficulty in volunteer supervision and management after the basic CBFA training. The results in different districts varied a lot, subject to the capabilities of the staff, local board involvement and volunteers' efforts. There were areas in Baucau district where no community level education began in 2005 despite CBFA training held at branch level.

The training of trainers (ToT) was planned in December 2005 but postponed to February 2006 due to delays in the implementation of the CBFA training programme and lack of practical community work of the volunteers.

Lessons learned

- More attention must be given to the systematic management of volunteers in the field.
- Continued focus on branch capacity development is needed.
- The CBFA programme, along with all the others, needs more qualified trainers.

- CVTL still did not have a communication department in 2005. The establishment of such in the future will enable the health programme to run intensive media and communication campaigns.

Expected result 3: *First aid; Empowerment of target communities in treatment and prevention of common diseases and injuries moves ahead.*

At the end of 2005, CVTL had generated income from first aid training of approximately USD1,000, not enough to fund any position as planned, but confirming the potential.

CVTL provided first aid training during year for two NGOs, the government and embassy staff. CVTL had at the end of the year, 11 qualified first aid trainers, with further ToT planned early 2006. A number of first aid volunteers were trained as core volunteers at branch level, as planned.

Some 200 people received a three-day first aid training in every district. This included selected CVTL volunteers as well as district officials, such as police and fire fighters. The trainings were used also to select CVTL volunteers for a more detailed two-week training at regional level (funded by Japanese Red Cross). More than 150 people received this extended training.

CVTL volunteers gave 2,500 community members basic information on first aid. Curricula were developed for all of CVTL's first aid courses.

CVTL volunteers provided first aid services at several public events, and they are using their first aid skills increasingly in community contexts. Dili branch was remarkably active in provision of first aid at different events and celebrations.

First aid activities were run in eight out of 13 districts; Liquica, Ermera, Baucau, Viqueque, Maliana, Oecusse, Baucau and Aileu. These activities were either individual or linked with governmental projects.

All the regional trainings were not carried out to a planned itinerary, which forced CVTL to postpone the first aid ToT to February 2006. ToT will be co-funded by the Federation and Japanese Red Cross.

The development of a first aid trainers manual took place, but as a CVTL internal exercise and not in cooperation with sister national societies as planned.

CVTL finalized a major project of translating all first aid manuals for different courses (three-day, two-week regional and first aid for external organizations) to the local language, Tetum. The manuals had been reviewed in a workshop earlier in the year. The manuals will be printed in 2006 and used in all trainings, also events for external organizations, where they are sold for income generation.

First aid kits were distributed to five branches, and the enclave Oecusse received a mannequin for training purposes.

CVTL's objective was partly met, in that nine districts developed capacity to manage properly first aid programmes. There is however still room for capacity development, not the least on monitoring and follow-up.

Constraints

During 2005, disaster management and first aid activities were not linked. This is, however, a matter of emerging awareness.

Lessons learned

Given the prevalence of disasters in Timor-Leste, the linkage between disaster management and first aid is important and will gain special attention in the coming years.

Expected result 4: *HIV/AIDS; There is increased awareness and knowledge on sexually transmitted infections (STI) and HIV/AIDS among CVTL staff/volunteers and targeted high-risk groups.*

CVTL's HIV/AIDS programme was very active in 2005, and the expected results were largely achieved. By the end of 2005, CVTL estimates that the knowledge of STI, HIV/AIDS and 'life skills' in target communities increased by more than 50%. Ten districts ran organized HIV/AIDS campaigns in 2005; the success indicator was 13.

At the end of 2005, more than 150 people in six districts were trained in 'life skills' and peer education. Five youth peer educators and life skills trainers are available. Some 2,000 high risk persons and 500 youth received information on HIV/AIDS. The success indicator was 5,000 in all. (The risk groups were targeted in the Family Health International-funded programme.)

CVTL presented four funding proposals to international entities. The agreement with Family Health International (FHI) made CVTL one of the biggest HIV/AIDS actors in Timor-Leste. As part of this project, three staff members were recruited in three districts, strengthening these branches' capacity. The three projects provide HIV/AIDS education to risk groups, primarily sex workers and potential clients, such as taxi drivers. Distribution of education material and condoms and as well as guidance /support and referral cards for HIV tests, are important programme components.

At the end of the year, an agreement was signed with the Australian Red Cross to start a HIV/AIDS programme in Lautem district.

CVTL volunteers held a three-day peer education and life skills training for CVTL volunteers in seven districts.

On World AIDS Day in December, CVTL campaigned actively in most districts. In Maliana and Cova Lima, the rallies, which included dramas, drew remarkably big crowds also in the villages.

The CVTL health department sent a representative to the Regional Health Team Meeting in Bangkok, and took part in the ART network meeting in Mongolia.

Constraints

- Together with national peer educator training, an HIV/AIDS education day for CVTL staff, by PMI trainers, was postponed until 2006.
- No information centres were established, although one was planned in Dili and one in Baucau. The CVTL health staff did not have the capacity to handle this. As training for CVTL staff was attached to the same event, this was also postponed to February 2006.
- HIV tests are only available in the capital Dili, and many people find that too far to travel.
- Reports to Family Health International were for some time inadequate and delayed. A consultant was hired to help CVTL staff back on track.

Lessons learned

CVTL health department's HIV management needs strengthening.

Impact

The capacity of CVTL's health department increased remarkably during 2005. Recruitment of staff in 10 out of 13 districts ensured a shift towards a district and community-based organization with less centralized activities. At the end of 2005, many branches still depend on implementation support from the NHQ, but a remote branch such as Oecusse was already able to keep up volunteer activities with minimal headquarters support.

CVTL strengthened its exceptional reputation as provider of water and sanitation facilities as well as health education for the most vulnerable communities, again reaching thousands of people in 2005. The society received numerous applications from communities for such services. The impact of water and sanitation, linked with health education, on people's lives is enormous. Easy access to safe water is a basis for a healthy life, decreasing significantly the risk of several diseases.

CVTL gained trust from the government, as well as international and local NGOs as a capable organization with a strong and widespread voluntary base. This is clear in a HIV/AIDS context, where the government invited CVTL to join a national coordination mechanism of HIV/AIDS.

CVTL's HIV/AIDS programme, which reached both the general public including youth and specific risk groups, makes a difference in a country where people's knowledge on HIV/AIDS and its prevention is very low.

CVTL volunteers' provision of first aid services in national events, earned the society positive visibility. Basic first aid knowledge also reached schools; but more attention should be given to the village level; particularly areas with high numbers road accidents. Also, in the coming years CVTL needs to improve its volunteer management to ensure continued interest.

Overall analysis of the disaster management programme in 2005

Overall Goal: The impact of natural and manmade disaster on the most vulnerable people in Timor-Leste is reduced

Programme Objective: The capacity of CVTL to respond effectively to and prepare for natural and technological disasters and to deliver quality services to the most vulnerable in the communities is enhanced

Achievements, Constraints and Lessons Learnt

Expected result 1: *The capacity of the national society to respond to disasters is enhanced.*

The national society responded to a food shortage caused by crop failure affecting 4,000 people in Hatu-Builico, Ainaro district. The Federation's regional delegation in Bangkok helped provide a relief delegate from the Philippines National Red Cross to assist with this operation, which involved many volunteers from Ainaro and Dili, who performed their tasks professionally. The operation was successful and provided valuable hands-on experience for all involved.

At the end of the operation a lessons learned workshop was held, taking the experiences into a future operational context. This operation also had a positive programme effect, in the sense that the recurring crop failures that haunt Hatu Builico, became the basis for a new, community-based livelihood project.

In April, CVTL sent a water and sanitation team to Aceh (Simeleu) to assess a possible support/cooperation project with the Indonesian Red Cross (Palang Merah Indonesia/PMI). The findings were positive, but the follow-up was frustrated, as another sister national society started a water and sanitation project in the actual area.

At the end of August, 23 volunteers from Dili attended a three-day disaster response basic knowledge training course in Dili.

Disaster stock (family kits and mosquito nets) were replenished at headquarters, and a dialogue started with the Norwegian Red Cross on provision of more complete equipment, including tents and radio equipment, expected in 2006.

One DM staff member is capable of operating the Federation's disaster management and information system (DMIS) with limited support and another being trained. This means CVTL can learn from other national societies in terms of 'live' case studies in disaster management as well as potentially sharing their own expertise and knowledge in the area.

Some of CVTL's logistical needs were not met, but at the end of the year, it was agreed that the regional logistics delegate would visit CVTL early 2006 to do an assessment and help provide a plan of action. The Hatu Builico budget included a second-hand car, which improved the DM unit's capability to access disaster sites and conduct timely assessments/emergency operations.

Two CVTL members have become assistants to the DM unit on a voluntary basis.

Constraints

The Hatu Builico operation cost CVTL dearly as it delayed most other programme activities, leaving the DM unit with a lot to catch up in 2006. CVTL's DM unit was not able to establish response teams as planned. This is also about limited internal capacity.

Because of regional staff constraints caused by the tsunami, CVTL did not have access to trainer support from other national societies as in earlier years, including PMI, which has rendered valuable support on a number of occasions.

For this reason CVTL does not yet have any volunteer qualified as trainers. Lack of its own capacity and external trainers left CVTL without the planned improved assessment and reporting system on disaster response activities. No contingency response plan was developed.

Lessons Learnt

2005 showed how a medium size disaster can impact on CVTL's planned DM programme implementation. To face this challenge in future, CVTL needs to strengthen its DM unit and develop clear roles and responsibilities.

The year also showed that CVTL's DM staff need more support than foreseen. The staff's capacity needs to be enhanced significantly before they can run a full programme without major support. The long term effects of the tsunami, depriving CVTL of previous trainer support from sister societies, will hopefully begin to wane.

In September, the Federation employed a local programme officer to support CVTL's DM unit. The experiences from 2005 suggest, however, that a DM delegate is needed, and steps to engage one will be taken in 2006.

Expected result 2: *Community-based disaster management is developed*

A community-based disaster preparedness CBDP/water-sanitation project in Manatuto started in October. This project covers the sub-villages Manufahi, Funar and Aubion. It is designed to use local resources; it is based on community participation/ decision-making and aims at building a management commitment from the communities to ensure long-term impact. The project also provides the communities with necessary materials and technical support for construction facilities and skills to reduce risks through health/disaster preparedness training.

The new Federation DM officer and one CVTL DM staff member made a study tour to PMI and visited a CBDP project in Sulawesi. Using lessons from this tour they started developing a CVTL community-based programme, identifying training needs and defining a curriculum for a first comprehensive national CBDP training workshop. This workshop was held in Dili on November 21-26, and was attended by 23 participants from 12 districts. Haburas Foundation and Concern facilitated the training.

The frames of a livelihood pilot project in Hatu-builico were defined, and five volunteers from four districts were identified as qualified to support the DM unit's implementation. A training programme for the Hatu-Builico project was also developed.

The livelihood project's first consultation and coordination meeting was held in Ainaro district in December, supported by district government, United Nations Office for Project Services (UNOPS), branch staff and volunteers from Ainaro district. A subsequent consultation and coordination in Hatu-Builico sub-district, attended by local government representatives and eight hamlet chiefs, identified the first partner community.

Cooperation was established with the Ministry of Agriculture (MAFF) on training/definition of better agricultural practices.

The DM CVTL staff participated regularly in livelihood networking meetings organized by Oxfam to share information and lessons learnt between members.

Constraints

- The start of the DM unit's Manatuto water and sanitation project was delayed by three months. The employment of local project staff in Manatuto did not take place in 2005, but is expected early 2006.
- CVTL will need more time to reach a level where the first projects can be evaluated and serve as a basis for a long term CBDM programme
- No volunteers are qualified as CBDM trainers yet, but the national CBDM workshop identified candidates who will be trained for the purpose.

Lessons learnt

The CBDM programme started only after the Federation's engagement of a local programme officer with experience in the field. The officer and other delegation staff need help to kick start the national workshop. This illustrates CVTL's need for DM support. Their own DM assistant is, however, picking up knowledge and gradually qualifying for CBDM programme implementation.

Cooperation with the government and other organisations appeared to be valuable and will continue. The Ministry of Agriculture has welcomed CVTL as a livelihood actor, and provides important professional advice.

Cooperation and knowledge transfer from sister societies such as PMI again proved invaluable, this time through the study tour to a PMI project.

Expected result 3: Community-based environmental projects (reforestation) are initiated

Given CVTL's limited internal capacity, efforts were made to find external support to help start this programme, which offers challenges of a technical, practical and legal nature. Unfortunately, such external support will only be available in 2006, and the environment programme did not start as planned.

An invitation from UNOPS to CVTL to cooperate on reforestation in the Ramelau Mountain has in principle been agreed by the DM department of CVTL. This opportunity will be pursued subject to expected external support.

Constraints

Difficulties in finding appropriate consultants have been an obstacle but it is hoped that this will be resolved in 2006. The time spent on the Hatu Bulico food operations has also delayed progress.

Lessons learnt

Lack of external support may easily frustrate implementation of programmes that demand special skills. CVTL's fledgling DM unit is in this regard vulnerable.

Expected result 4: Coordination support and assistance is provided to NDMO

In May, NDMO, the government's disaster response office, informed CVTL and other organisations about a worrying lack of contingency plans, should a tsunami or major earthquake hit Timor-Leste. CVTL, supported by the Federation, offered to hold a workshop to initiate development of a plan.

The workshop, involving high-level participants from the government, was held in June, with the support of the Federation's regional delegation in Bangkok and a consultant hired to lead the process. Sadly, the reports delivered by the consultant did not meet the standards required, and could not serve as a basis for further development.

It was agreed with NDMO to find another consultant and change the approach. The search for a high-level consultant (who should speak a language understandable in Timor-Leste) did not conclude in 2005, but is expected to succeed early 2006. Cooperation with United Nations Office for the Coordination of Humanitarian Affairs (OCHA) regional office in Bangkok, which is also interested in supporting the Timor-Leste government, is expected to bring results.

CVTL attended a number of information sharing meetings arranged by NDMO in 2005. It also invited NDMO to attend the Hatu Bulico operations.

Constraints

- The problems of finding a highly skilled consultant speaking a local language, has proved a constraint.
- NDMO did not send anyone to observe CVTL's operations in Hatu Bulico, which was an opportunity lost.
- The relationship between NDMO and The Ministry of Labour and Solidarity seems unclear in some disaster contexts.

Lessons learnt

CVTL and the Federation must continue efforts to get the contingency plan process back on track. The relationship between NDMO and the Ministry of Labour and Solidarity will hopefully be clarified in the context of a contingency plan.

Impact

CVTL's food operation in Hatu Bulico supported 4,000 people, bringing much needed relief. The programme increased the skills of a big number of volunteers.

The community-based projects in Manatuto and Hatu Bulico have energized villagers and induced a growing awareness of their own resources and possibilities.

The national CBDM workshop introduced new skills to staff and volunteers. The new cooperation with UNOPS and the Ministry of Agriculture is likely to prove useful in the future.

The effort to help NDMO develop a contingency plan was initially unsuccessful but spurred constructive cooperation with the government office, prompting practical conclusions on how to take the process forward. The cooperation with OCHA is also likely to prove fruitful.

Overall analysis of the organizational development programme

Overall Goal: CVTL has become a volunteer-based grassroots organisation delivering targeted services to the country's vulnerable communities.

Programme Objective: CVTL is recognised as the Red Cross Society of Timor-Leste with sound foundations and the basic capacity to provide services through its national structure.

Achievements, Constraints and Lessons Learnt

Expected result 1: *Constitution: The necessary foundation for a relevant and effective Red Cross society (legal base, constitution, membership recruitment, district elections and a general assembly) is in place.*

The society's draft statutes were finalised in April, after two significant changes - a new chapter on volunteers and agreement on removing one tier of national governance.

The final draft was adopted by the national board in May and passed by the General Assembly in August after minor amendments. Later in August the Council of Ministers passed a CVTL recognition decree, closing two years of negotiation with the government.

The Joint Commission visited CVTL in October to assess progress against the ten conditions of national society recognition. The commission report and subsequent ICRC recognition (10 November 2005) of CVTL as the Red Cross Society of Timor-Leste led the way to its admission (11 November 2005) to the Federation and the International Red Cross and Red Crescent Movement.

While work on creating a legal base was being completed, a bottom-up process of establishing the society continued. The membership drive was completed at the end of March 2005 with 9,386 members, raising a total of

about USD 14,000 (CHF 16,600) in membership fees. Between February and mid-April, the society held 13 local elections, during which an average of 200 people participated in each round, and selected 13 branch boards.

In August CVTL held its first general assembly. Five delegates from each of the 13 branches participated along with the intermediate national board. The assembly adopted the statutes of the society, elected a new governing board and national governance office bearers. The president and secretary general presented their activity reports while the outgoing finance commission presented a brief financial report for the year 2004, acknowledging that reports for 2002-2004 were not available. The assembly took critical note of the financial situation, demanding clear regulations for a more transparent financial system and in future a written report from the president and the secretary general. Other resolutions at the assembly related to the strategic plan, membership fees and delegation of certain tasks to the national board for the next two years.

In order to introduce governance to their new roles and responsibilities one national- and 13 district-level governance training were held.

Constraints

Negotiations with the government on CVTL's recognition were slow and time consuming. The main issues of content were the independence of the society, CVTL's property rights and its right to do fundraising without prior government permission. Extensive dialogue with the highest level of the government resulted in an agreeable solution.

Membership recruitment was initially hampered by lack of direction, lack of volunteer organization in three branches and internal conflict in one district. In each case, CVTL national headquarters intervened appropriately to restore the membership drive.

Newly elected governance at the branch level, despite initial training, continued to lack understanding of its role and responsibilities. There is a need to strengthen all newly established institutions in the society, such as branch board and governance office bearers at national/branch level.

Lessons Learnt

The extensive membership drive and its success brought both opportunities and new challenges. In hindsight any such effort should have been spread over a longer period of time to enable branches to properly educate potential members on the Red Cross' role in the country, its history and its limitations as an institution. Members without such understanding were confused about their own rights and responsibilities in the society and had different expectations. The large expansion in membership also stretched the organisations capabilities to meet the expectation of its constituency.

Allowing genuine membership participation in national society affairs changed the dynamics of the society and while it empowered the governance with legitimacy, it also opens it up for criticism. The first general assembly of the society, for all its limitations, showed such dynamism and left hopes for a membership driven society in future.

Expected result 2: *Resource Development: Basic human (policy and regulations), financial (fundraising projects) and material resource (national headquarters and branch buildings) capacities have been created to sustain the organization.*

At the end of the year, CVTL prevailed in a three-year struggle/ negotiations process to take over a property with three buildings granted by the Portuguese Red Cross in 2002. Fifteen families who occupied the building were provided support to reconstruct their own destroyed homes. A new headquarters is now in sight, subject to funding of restoration.

Three new branch buildings (Liquica, Ermera and Manatutu) were renovated during the year, raising the number to seven. In addition the Spanish Red Cross confirmed support for two branch renovations and the Japanese Red Cross agreed to one (both bilaterally). Twelve branch offices were also supplied with basic office furniture (one

printer, one table, 12 chairs, one voltage stabilizer and one uninterruptible power supply unit) by the health department.

At the national headquarters, all computers were upgraded to operate Windows XP software and were linked up to a local area network (LAN). The installation of an integrated services digital network (ISDN) line - linking to a local internet service provider – along with LAN improved the society's ability to electronically communication with the outside world.

Two income generation projects in Baucau and Same branches were started in July. In both branches a total of USD 3,160 were invested in small generators and chairs. The branches plan to rent both the generator and the chairs to raise local income. So far income from the project has been modest (approx. USD 500 per branch).

Constraints

CVTL's human resource development was delayed in two areas. The arrival of an Australian volunteer assigned to train staff and volunteers in English was postponed to 2006. Neither could CVTL address the need for designing basic management and financial management training in the branches.

And as indicated above, no volunteer policy was developed. All of which was a matter of capacity in a year marked by significant OD developments and financial improvement.

Plans for management development (including financial management at the branch level) were postponed to next year as part of a more integrated intervention to improve management competence.

Lessons Learnt

Income generation efforts in the branches proved to be very limited. Yet the national headquarters through its asset utilisation (mainly rentals) raised approximately USD 22,000 during the year.

Taken together with annual membership potential (approximately USD 15,000) it indicates a possible path to building the society's own capital base. However, this path would require substantial initial investment and strict fiscal discipline.

Expected result 3: Management – CVTL has an appropriate management structure, systems and procedures.

In October the CVTL national governing board recruited a new secretary general (to take over February 2006) on recommendation of a selection committee. Branch development coordinators were assigned responsibility for several branches each, to help them develop activities and support their leadership in understanding their roles and how to communicate with their staff, members and volunteers. In addition they also helped branches establish their offices, increase programme activities and hold regular branch board meetings. The coordinators provided progress reports on how the new structures were coping.

Eight CVTL staff and volunteers participated in various volunteer management / Youth Red Cross workshops during the year. This exposed CVTL to interaction / experiences of different national societies. CVTL also undertook a self assessment of its own fledgling and informal volunteer management and shared it in each forum to receive constructive feedback.

CVTL undertook its first annual budgeting exercise in January, and produced a consolidated budget. It also reorganized its finance department to overcome integrity issues (refer to the constraints below) and simplify its accounting procedures to allow easier monitoring and compliance.

Between April and October the delegation helped CVTL to first improve its basic day-to-day manual bookkeeping and reintroduce computerized accounting. Towards the end of the year the society managed to get its system updated and improve both internal management and external project reporting.

CVTL decided to create an information/communication department, to improve the society's internal and external communication. In November the delegation recruited a reporting/information development consultant from the

Philippines to work with CVTL management on improving its reporting and establishment of a functioning information department.

Constraints

Focus on the recognition and financial management of the society left little time to invest in a structured approach in volunteer management issues.

Leadership at the branch level showed a varying degree of commitment and engagement. At least half of the branch boards did not provide active leadership for branch development. They routinely referred to lack of clarity over roles as reason for inactivity and failed to engage most of their youth dominated membership. Given the lack of resources, the branches face a big challenge in providing a meaningful and attractive activity base for its volunteers.

At the beginning of the year CVTL faced a big challenge when discovering that its accounts for November 2004 to January 2005 did not match. An investigation of the books revealed a cash deficit of USD 1,700. This led to serious effort from both the CVTL and the Federation to improve the financial management. The national society's governance created a new finance commission to monitor and advise on financial matters. In addition, it appointed an administration coordinator in the expanded role of finance and administration. Two experienced new staff were recruited in this department, one new finance officer in February and a finance manager in April. However in September, the new finance officer was found embezzling money from the cash box, which led to new staff turnover and a loss of six months investment in development of financial skills. This continuous catch up mode provided little time to develop financial guidelines and trainings to non-finance staff. CVTL did not develop management regulations; again a matter of the society's OD capacity in a very demanding year.

Lessons Learnt

Investment in improving CVTL financial and human resource management, two critical functions for any organisation, should have been made at a much earlier stage. Such investments should focus on current organisation capacity as well as take account longer term (minimum five years) expansion needs. Once the society becomes path dependent, restructuring becomes expensive, time consuming and painful.

Expected result 4: *Strategy: A four-year strategic plan has been adopted by CVTL and the development of a cooperation agreement strategy (CAS) is underway.*

A vulnerability and capacity assessment (VCA) was completed at the end of February 2005. Groups of volunteers, supported by at least one staff member, spent about a week in each village identifying community needs through multi-sectoral assessment, using participatory techniques. The data collected was compiled in 13 district vulnerability reports. A consultant helped edit them down to a 50-page summary report for each district. The data from the district was analyzed in a workshop in April and formed the basis for a national VCA report.

The strategic planning working group selected a consultant to help it run a workshop and produce a draft strategic plan for the society. In July, this consultant and the lead consultant from the VCA process helped CVTL run the strategic planning workshop, attended by 32 participants representing staff, volunteers, national and branch governance and the Federation. The draft strategic plan 2006-2009 was presented to the general assembly, which passed a resolution to delegate approval of the final version to the national board. The plan envisions new services targeted at youth and women for their socio-economic development, while improving the scope of existing services in health and disaster management.

CVTL held its first partnership meeting in February. The meeting, attended by six partners, discussed the society's progress, plans and potential support in the coming years. The discussions marked the start of a cooperation agreement strategy (CAS) process. In November, CVTL shared its draft strategic plan with its partners and sought their feedback. A national society and Federation retreat was held in November to discuss common understanding on the priorities of the CVTL, its capacity to implement them and its needs for support. Outcomes of all these discussions will be brought together next year in a CAS document.

Constraints

The volunteer-led VCA process in the communities was slow and of varying quality. In at least four districts the volunteers had to be brought in from outside to support local volunteers. The extensive nature of the exercise demanded considerable resources (time and management) of the society's staff, often causing delays in regular activities.

Printing and distribution of the strategic plan was delayed to 2006.

Lessons Learnt

A VCA lead strategic planning process resulted in some choices that had to be made in view of the communities' strong need articulation. CVTL found that it was a moral imperative to address the needs identified in the VCA, even if meant facing new challenges instead of focussing solely on fields where it had already developed capacity.

Impact

At the end of 2005, the national society faced three challenges in developing as a well-functioning Red Cross society:

- a) controlling the rate of donor income growth,
- b) developing an appropriate financial management system, and
- c) establishing basic, but critically needed, management systems.

Programme interventions made this year, helped overcome two of these three challenges. The rate of donor income growth was managed by establishing a consolidated annual budget (including a uniform costing architecture) and a four-year strategic plan, which defines future revenue growth levels for the organization. Improving financial management took a substantial part (50%) of the activities this year but despite the challenges, the national society was able to update its computerized financial system, improve credibility of its financial information, increase management risk control and meet all its internal and external reporting requirements.

On a macro level the programme did reach its objective for the year. CVTL was recognized both nationally and internationally as the national Red Cross society of Timor-Leste. The society established a countrywide branch network by electing local leadership from a wide membership base. In addition the adoption of the society's constitution and national recognition law provide basic the "strong foundation" for future development.

The long constructive dialogue with communities through a vulnerability study, which resulted in a clear four-year strategic plan, will enable CVTL to work towards its long term goal of becoming a volunteer-based grass-root organisation. Inclusion of community empowerment and mobilization as a clear strategic direction is derived directly from the vulnerability assessment. In addition the VCA reports have helped fine-tune some of the choices within each strategic direction, helping CVTL to maximize the impact of its service delivery.

In addition, the programme met seven of the nine indicators. Human resource and volunteer development, two areas that are critical for future organization development, received little attention. The time spent on the recognition process and essential improvement of financial left little for other OD activities. Taking this into account, the programme plans for 2006-2007 provide for a structured scaling of activities in these two areas.

The challenge in the coming two years will be to a) improve management competence, b) volunteer and membership development, and c) financial resource development. The membership and communities increasingly see the society as an engaged humanitarian actor in the country, something that increases expectations of expanded and improved service delivery. Inability to manage or meet this expectation poses risk for future growth and institutional credibility.

The current resource strategy of the society is completely built around project financing. External project finances contribute about 93% of the society's income and expenditure. As donor fatigue sets in and the funding environment of the country reduces a similar resource strategy will face a similar risk of reduction. There is an urgent need to invest in stable long term project partnerships, but more importantly, there is an equal urgency to develop a reasonable asset and capital base to absorb any future financial shocks.

Coordination and Implementation

Coordination, cooperation and strategic partnerships

A major achievement for CVTL in 2005 was its first partnership meeting, in February. This event marked the start of a cooperation agreement strategy (CAS) process, followed up by submission of CVTL's draft long-term strategy to partners for comments.

During 2005, CVTL achieved a sound expansion in partnerships. Agreements on programme cooperation were signed with the Japanese Red Cross (health), the Australian Red Cross (water and sanitation) whereas Finnish Red Cross funded a health delegate for one year, starting in July.

The Spanish Red Cross became a partner in branch reconstruction, and cooperation was established with the Ministry of Agriculture and Livelihood, and initiated with UNOPS on forestry. Cooperation with Family Health International was expanded, encompassing a big advocacy programme targeting risk groups. CVTL's dissemination coordinator participated in the meeting of youth directors in Singapore from 23-27 August 2005

Effective representation and advocacy

Humanitarian values remain an integrated and important part of CVTL's programme activities, meaning dissemination of values and representation of CVTL and the International Red Cross Red Crescent Movement is a part of all trainings and public events. As an example, the preparations for the comprehensive national vulnerability and capacity assessment included a presentation to all participating volunteers on this issue.

Dissemination staff made special visits to the branches, making presentation for new boards and members: A CVTL bulletin was issued as well as a 2006 calendar and information leaflets in support of this effort. Schools and media were visited, as were district police and local parishes.

Dissemination staff together with the tracing unit prepared a media campaign, funded by the ICRC, for presentation of MCTL (Missing Commission of Timor-Leste).

Having decided to establish an information unit, CVTL, started communication training of staff. New relationships with media were being developed towards the end of 2005. Positive media attention was drawn to CVTL on a number of occasions, including World AIDS Day and the water and sanitation team going to Aceh (Simeleu) to offer PMI tsunami-related support.

Delegation management

The delegation comprises three delegates and three local staff plus security guards. There will be a change of head of delegation (HoD) in April 2006, and the OD delegate's contract expires at the same time. A change of health delegate will occur in July 2006. This means a complete turnover of delegates within a few months, which is undesirable. The delegation is requesting the OD delegate to extend for three months to cover until a new HoD is well established. A new DM delegate will be sought in 2006. It is hoped that there will be appropriate delegate backing of all CVTL's major programmes.

[The annual financial report is below; click here to return to title page and contact information.](#)

International Federation of Red Cross and Red Crescent Societies

TIMOR LESTE

Selected Parameters	
Year/Period	2005/1-2005/12
Appeal	M05AA053
Budget	APPEAL

All figures are in Swiss Francs (CHF)

I. Consolidated Response to Appeal

	Health & Care	Disaster Management	Humanitarian Values	Organisational Development	Coordination & Implementation	TOTAL
A. Budget	243'749	229'975		441'720	0	915'444
B. Opening Balance	136'393	84'427		110'401	18'215	349'436
Income						
Cash contributions						
Australian Red Cross	26'439	67'900		116'438		210'778
British Red Cross	98'614			17'888	23'851	140'354
Capacity Building Fund				92'000		92'000
Finnish Red Cross	34'856					34'856
ICRC				17'944		17'944
Japanese Red Cross Society	1'716					1'716
Korea Republic National Red C	100'000					100'000
New Zealand Red Cross		28'289		32'853	4'352	65'493
Norwegian Red Cross	90'850	53'325		104'675	6'630	255'480
C1. Cash contributions	352'475	149'514		381'798	34'833	918'621
Outstanding pledges (Revalued)						
Finnish Red Cross	9'774					9'774
Korea Republic National Red C	100'000					100'000
New Zealand Red Cross				33'619		33'619
C2. Outstanding pledges (Reval)	109'774			33'619		143'393
Reallocations (within appeal or from/to another appeal)						
Japanese Red Cross Society	11'568					11'568
New Zealand Red Cross		-31'000		31'000		0
Norwegian Red Cross	-60'775	60'775				0
On Line donations				50'000		50'000
C3. Reallocations (within appeal)	-49'207	29'775		81'000		61'568
Inkind Personnel						
Finnish Red Cross	22'000					22'000
Japanese Red Cross Society	25'813					25'813
Norwegian Red Cross					102'000	102'000
C5. Inkind Personnel	47'813				102'000	149'813
C. Total Income = SUM(C1..C6)	460'855	179'289		496'417	136'833	1'273'394
D. Total Funding = B +C	597'249	263'715		606'818	155'049	1'622'831

II. Balance of Funds

	Health & Care	Disaster Management	Humanitarian Values	Organisational Development	Coordination & Implementation	TOTAL
B. Opening Balance	136'393	84'427		110'401	18'215	349'436
C. Income	460'855	179'289		496'417	136'833	1'273'394
E. Expenditure	-291'178	-82'262		-404'187	-99'724	-877'350
F. Closing Balance = (B + C + E)	306'071	181'453		202'632	55'325	745'480

Selected Parameters	
Year/Period	2005/1-2005/12
Appeal	M05AA053
Budget	APPEAL

All figures are in Swiss Francs (CHF)

III. Budget Analysis / Breakdown of Expenditure

Account Groups	Budget	Expenditure					TOTAL	Variance A - B
		Health & Care	Disaster Management	Humanitarian Values	Organisational Development	Coordination & Implementation		
A		B					A - B	
BUDGET (C)		243'749	229'975		441'720	0	915'444	
Supplies								
Construction	10'000	8'434	1'383		1'574		11'390	-1'390
Clothing & textiles	6'393							6'393
Seeds, Plants	7'672							7'672
Water & Sanitation		3'062					3'062	-3'062
Teaching Materials	1'500							1'500
Utensils & Tools	5'114							5'114
Other Supplies & Services	21'736		409				409	21'327
Total Supplies	52'415	11'496	1'792		1'574		14'861	37'554
Land, vehicles & equipment								
Land & Buildings	32'554				17'983		17'983	14'571
Vehicles	3'600				905	-905	0	3'600
Computers & Telecom	10'671	17'799			9'313	-9'837	17'274	-6'603
Office/Household Furniture & Equipment	1'000	624			6'047	-816	5'855	-4'855
Others Machinery & Equipment	3'900	8'704				-8'099	605	3'295
Total Land, vehicles & equipment	51'725	27'127			34'247	-19'657	41'716	10'009
Transport & Storage								
Storage		132				-126	6	-6
Distribution & Monitoring	1'500	51	210		303		564	936
Transport & Vehicle Costs	8'897	4'629	2'445		9'970	598	17'641	-8'744
Total Transport & Storage	10'397	4'812	2'654		10'273	472	18'211	-7'814
Personnel Expenditures								
Delegates Payroll	334'633	2'060			63'125	11'977	77'163	257'470
Delegate Benefits		81'924	497		56'167	142'025	280'613	-280'613
Regionally Deployed Staff	50'828							50'828
National Staff	39'125	7'857	7'718		10'723	-4'259	22'039	17'086
National Society Staff		14'877	17'165		27'716	280	60'037	-60'037
Consultants	7'254	1'650			7'148		8'798	-1'544
Total Personnel Expenditures	431'840	108'368	25'380		164'879	150'024	448'651	-16'811
Workshops & Training								
Workshops & Training	190'213	48'795	16'024		77'117	1'226	143'161	47'052
Total Workshops & Training	190'213	48'795	16'024		77'117	1'226	143'161	47'052
General Expenditure								
Travel	38'399	8'588	4'515		19'040	8'001	40'144	-1'745
Information & Public Relation	38'771	4'421	232		8'375	-436	12'592	26'179
Office Costs	15'097	17'346	1'529		25'536	6'302	50'713	-35'616
Communications	27'083	10'304	2'807		9'903	25'439	48'452	-21'369
Financial Charges		5'419	23		3'371	-32'966	-24'153	24'153
Other General Expenses		16'500	6'600		10'317	-42'324	-8'907	8'907
Total General Expenditure	119'350	62'578	15'706		76'542	-35'984	118'842	508
Program Support								
Program Support	59'504	18'725	5'347		26'272	6'051	56'395	3'109
Total Program Support	59'504	18'725	5'347		26'272	6'051	56'395	3'109
Operational Provisions								
Operational Provisions		9'278	15'360		13'284	-2'408	35'514	-35'514
Total Operational Provisions		9'278	15'360		13'284	-2'408	35'514	-35'514
TOTAL EXPENDITURE (D)	915'444	291'178	82'262		404'187	99'724	877'350	38'093
VARIANCE (C - D)		-47'428	147'712		37'533	-99'724	38'093	