

## **ACEH: POST-CONFLICT COMPLICATIONS**

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## ACEH: POST-CONFLICT COMPLICATIONS

### EXECUTIVE SUMMARY AND RECOMMENDATIONS

Peace in Aceh continues to hold but where the Yudhoyono government and many in Jakarta see a closed book with a happy ending, many Acehnese see a temporary respite from a conflict that will inevitably resume. The behaviour of many elected Free Aceh Movement (Gerakan Aceh Merdeka, GAM) officials and ex-combatants is part of the reason for gloom: Acehnese voters seem to have substituted one venal elite for another. Extortion, robbery and illegal logging involving ex-combatants – although they are not the only culprits – are cause for concern, and a reintegration program initially aimed at helping former fighters economically has been marred by confusion of goals, lack of strategy and lack of accountability. But unresolved issues between Aceh and Jakarta are the real time bomb, and the two sides need to establish an appropriate forum for working these out.

The election of GAM members to provincial and district offices in December 2006 has helped create lucrative patronage networks: jobs and contracts have gone to the victors. Even so, unemployment of ex-combatants remains high and may be one factor in the rash of incidents involving illicit efforts to get quick cash. The Aceh Reintegration Board (Badan Reintegrasi Aceh, BRA) has been dysfunctional since its creation. New leadership since April 2007 and a new orientation since August may address some of the management problems; whether the latter will facilitate reconciliation or further polarise communities is not clear. No one, including donors, seems to have a clear idea whether reintegration funding is an entitlement under the 2005 Helsinki peace agreement, a vehicle for community reconciliation, compensation for past sacrifice or a mechanism for economic empowerment of individuals. Allegations over inequitable distribution of benefits have further divided a fractious and decentralised GAM.

A political rift that emerged before the elections between the exiled leadership in Sweden led by Malik Mahmud and a younger generation led by Irwandi Yusuf, now governor, and many of the field commanders, has deepened. In preparation for the 2009 elections, GAM supporters may field at least three separate parties. One that has caused consternation in Jakarta, called simply “GAM Party” with

the GAM pro-independence flag as its symbol, in fact represents just Malik’s minority faction.

Internal feuding will subside, however, if problems with Jakarta heat up. Two issues in particular could cause that to happen in the lead-up to elections: intelligence operations to strengthen “anti-separatist” forces, and GAM pressure, applied unstrategically, for full implementation of the Helsinki Memorandum of Understanding (MoU). GAM leaders have valid concerns about provisions of the Law on Governing Aceh (LOGA) passed in mid-2006 that diluted or undermined key principles of that MoU. Some of these can and should be addressed through a mechanism that allows for top-level dialogue and working through issues, especially as they relate to the authority and function of Aceh’s autonomous local government. But GAM leaders also need to realise that trying to open LOGA to amendment by the parliament in Jakarta in a pre-election environment could be playing with fire.

While dialogue takes place, GAM leaders need to concentrate on governing, delivering tangible benefits to Acehnese with the considerable funding at their disposal and keeping their supporters under control, rather than laying all blame for lack of progress at Jakarta’s door. The central government needs to ensure that its intelligence agencies keep their interventionist tendencies in check.

### RECOMMENDATIONS

#### To GAM Officials in Aceh:

1. Spend less time in Jakarta and abroad and concentrate on improving government services.
2. Develop and apply concrete performance goals for the provincial and district governments.
3. Exert stricter discipline over renegade members, particularly in North Aceh, and ensure that those known to be involved in crimes are turned over to the police.
4. Make clear that no demands from members of GAM’s armed wing, now called the Aceh Transition Committee (Komite Peralihan Aceh,

KPA), for percentages of project funding will be tolerated and that verified reports of such demands will lead to the exclusion of those responsible from reintegration benefits.

5. Break with the corrupt practices of the past by ensuring that procedures for awarding government contracts are fully transparent.
6. Commit to retaining the logging moratorium until other announced forestry sector reforms are complete.
7. Develop a strategy to press for fuller implementation of the Helsinki MoU that takes Jakarta political factors into account, understanding that progress will be slow and incremental.

**To the Government of Indonesia:**

8. Work with GAM leaders to set up a dialogue mechanism that has a broader mandate than the Communication and Coordination Forum (Forum Komunikasi dan Koordinasi, FKK) and can work through some of the problems related to the LOGA, including review of draft implementing regulations.
9. Refrain from funding anti-separatist groups.
10. Take care in drafting LOGA implementing regulations that they reflect the spirit of the MoU and acknowledge a genuine autonomy for Aceh that is qualitatively different than that of other provinces.
11. Investigate and prosecute backers of illegal logging operations, not just low-level labour.

**To the Aceh Reintegration Board (BRA) and Reintegration Program Donors:**

12. Hire an independent auditing team with expertise on Aceh to do an in-depth assessment of how reintegration funds have been spent and their economic, social and political impact.
13. Develop a strategic plan for reintegration that includes a common understanding of what that concept is; what the ultimate objective of the various programs should be; what concrete benchmarks should be set for 2007 and 2008; and how the program fits into a broader development strategy for Aceh.

**Jakarta/Brussels, 4 October 2007**

## ACEH: POST-CONFLICT COMPLICATIONS

### I. INTRODUCTION

Two years after the Indonesian government and the Free Aceh Movement (Gerakan Aceh Merdeka, GAM) signed a memorandum of understanding (MoU) in Helsinki, the peace is holding – but it is not the peace that many envisioned. The euphoria that swept Aceh after GAM candidates trounced their opponents in the December 2006 local elections is gone, replaced by a sense of gloom that the new elite is not that different from the old, and as many divisions are being created as healed in Acehnese society.

Jobs and contracts are going to the victors: loyalty to GAM has replaced good connections to Jakarta or local army commanders as the key to political and business opportunities. Extortion by ex-combatants is rampant, and armed robberies are on the rise, many carried out by former fighters operating outside any command structure. In some areas – North Aceh is one – former commanders of GAM's armed wing, now called the Aceh Transition Committee (Komite Peralihan Aceh, KPA), serve as a virtual shadow government, playing much the same role as the Indonesian military did in the past vis-à-vis civilian officials, although without the clout of an authoritarian state behind them. Journalists have found that many KPA leaders have an allergy to criticism and a sense of themselves as above the law that do not bode well for democratic governance.

The cash that has made new and lucrative patronage networks available to GAM members has also divided a fractious movement still further, deepening divisions at the top and creating new fault lines between commanders with access to funds and the rank-and-file who feel they have not received their fair share. Many KPA members who consider themselves short-changed or simply deserving of a cut take matters into their own hands and exact payments from businesses, contractors and sometimes non-governmental organisations (NGOs) or turn to profitable pursuits like illegal logging.

High unemployment among former GAM is part of the problem and one that various "reintegration" programs were designed to solve. But those programs have become emblematic of much of what is amiss in Aceh today: unclear objectives, administrative confusion, lack of accountability – and lots of money. Some of these

problems are being tackled but the obstacles are formidable.

GAM Governor Irwandi Yusuf remains generally popular and free from any taint of corruption or abuse of power but is coming under fire for going abroad too often and having no idea of how to make or implement policy. Because from mid-2005 he was the most effective person in the GAM structure in responding to individual members' needs, he continues to be besieged daily when he is in Aceh by GAM members seeking help, making his task even harder.

At the provincial level and in many districts, local government seems to be paralysed. Attracting investment is a high priority for all GAM leaders but for too many (like their Jakarta-linked predecessors), it seems to consist of agreeing to projects without much thought for overall development or environmental impact and in some cases, more attention to the potential for personal enrichment.

In the midst of this, the Indonesian military (Tentara Nasional Indonesia, TNI) is generally behaving professionally, although mutual distrust between it and GAM remains deep. While human rights groups have reported a few cases of unacknowledged detention, there were no major violent incidents involving soldiers between March and September 2007, although complaints about police extortion and abuse continue. That said, there is wide concern about Indonesian intelligence operations involving support for former "anti-separatist fronts" and others seen as supporting a nationalist agenda. Some intelligence officials, convinced that GAM has not dropped its independence agenda, would like to prevent it from winning control of the provincial parliament in 2009.

Pressure is building among advocacy groups, supported by the governor, for a truth and reconciliation commission to examine past abuses. The issue is deeply sensitive: the Indonesian military believes a commission would be one-sided, determined to prosecute soldiers while rebels would enjoy their post-Helsinki amnesties. GAM may be equally reluctant to have its own deeds revealed, however, and ensuring objectivity will be a challenge. While the pressure has been mostly led by urban NGOs, fieldworkers say the demand for justice is high in rural areas and fuels some of

the resentment over reintegration benefits. If that demand is not addressed, it could become a seed of future conflict.

All these problems have been dismissed by some as the growing pains of a political transition and the temporary by-products of what has been a remarkably rapid and largely peaceful transformation from guerrilla group to government. Armed conflict between the TNI and GAM is over for now, and feared clashes between GAM and army-backed militias have not materialised. No one is dying in combat, and no one is disappearing for political views. Those are huge achievements. But peace is not irreversible; whether it lasts will depend in part on how GAM uses its new power and wealth, how the MoU and the Law on Governing Aceh are implemented and what happens in the parliamentary elections. In the meantime, GAM officials need to focus on long-term strategies for improving Acehnese lives, and security agencies in Jakarta need to keep their interventionist tendencies in check.

### ACEH'S GOVERNMENT

Aceh has the same government structure as other provinces of Indonesia. The administration is headed by a governor and deputy governor, directly elected since 2006, who are considered the representatives of the central government but are accountable to the provincial legislature. The province is divided into 23 districts (*kabupaten*) and cities (*kota*), whose directly elected heads wield considerable fiscal and political power. Each district is further divided into subdistricts (*kecamatan*) and villages.

The Helsinki MoU, which ended the conflict, promised Aceh a higher degree of self-government than other provinces. Aceh was to “exercise authority within all sectors of public affairs...except in the fields of foreign affairs, external defence, national security, monetary and fiscal matters, justice and freedom of religion”. However, the 2006 Law on Governing Aceh (LOGA) reserved *all* security issues for the central government and weakened some provisions on the provincial government's authority.

## II. POLITICAL DEVELOPMENTS

In December 2006 local elections, the people of Aceh elected a GAM governor and put GAM in control of seven of nineteen districts fielding candidates.<sup>1</sup> In June 2007, GAM won the key east coast district of Bireuen with 60.2 per cent of the vote. The victories were a result of popular support, rural mobilisation through GAM's military structure and some intimidation and coercion, although probably not enough to affect the outcome. In many cases, they put into office men with little or no government experience and gave new power to local KPA commanders who often had played a major role in choosing the candidates.

The following months saw a steady consolidation of GAM influence as newly elected officials moved to replace heads of local government departments, and KPA commanders encouraged the choice of their protégés as village heads in elections across the province.<sup>2</sup> As of September 2007, 49.6 per cent of Aceh was under GAM governance at the district level, based on 2004 population figures, although the organisation was far from united.<sup>3</sup>

The rifts that appeared before the 2006 elections between the old guard, led by erstwhile GAM Prime Minister Malik Mahmud, and the younger, field-based generation around Irwandi Yusuf have deepened. The problem is that for the

<sup>1</sup> Crisis Group Asia Briefing N°61, *Indonesia: How GAM Won in Aceh*, 22 March 2007. For earlier analyses of Aceh see Crisis Group Asia Briefings N°57, *Aceh's Local Elections: The Role of the Free Aceh Movement (GAM)*, 29 November 2006; N°48, *Aceh: Now for the Hard Part*, 29 March 2006; N°44, *Aceh: So Far, So Good*, 13 December 2005; and N°40, *Aceh: A New Chance for Peace*, 15 August 2005.

<sup>2</sup> In a revealing August 2007 incident, Nasrullah Muhammad, the capable North Aceh district secretary (*sekda*, the top civil service position) was sacked so local GAM officials could put their own man in the job. With senior GAM officials' support, he was picked by the newly elected GAM team as *sekda* for Bireuen district but local KPA from the district's western region refused to sanction his appointment, saying if it went ahead they would stop providing security for the district head (*bupati*). Their concern was that the interests of the district's other regions were represented in the administration, and a good candidate from the west was available, an official named Azhary Usman; there was no need, they argued, for an outsider. They mounted a demonstration to protest Nasrullah's appointment and threatened journalists who wanted to take photographs. (A KPA spokesman later said this had been a misunderstanding.) Nasrullah's installation was delayed as intra-GAM negotiations took place. He eventually took up his position on 12 September. Ironically, he turned out to have been born in western Bireuen after all.

<sup>3</sup> That figure may rise after district elections in South Aceh in November 2007.

government of Indonesia, Malik is GAM's representative, the man who signed the Helsinki agreement and with whom any further negotiations on implementation must take place. His opponents paint him as out of touch, difficult to reach and uninformed. Former guerrilla commander Muzakkir Manaf, who has wavered between the factions, seems to have returned to Malik but to be focused more on his construction company than any political program, let alone ex-combatants' needs. Disunity characterises politics at the district level as well: the *bupati* (district head) and deputy *bupati* of East Aceh, elected in December, are barely on speaking terms.

Despite the squabbles, licit and illicit efforts to cash in on political influence have become a major story line. Top GAM leaders have obtained contracts, donations and jobs with wide scope for patronage. The rank-and-file have done less well, and resentment over money appears to be one cause of violence, particularly in intra-GAM disputes. It is too soon to tell what impact the money and influence will have on the 2009 parliamentary elections, in which GAM hopes to secure control of the local legislature, the DPRD. For the first time ever, local parties will be allowed to compete; as of September 2007, six had formally registered and several others were forming.<sup>4</sup>

GAM and its supporters may field three or more. One has already created a storm, a party called GAM, with the GAM flag as its symbol. The furious reaction in Jakarta illustrated how poorly informed the capital's politicians are about Aceh politics, since the party represents the minority Malik faction and probably generated at least as much anger within GAM as in the capital. But this and other incidents suggest tension between the centre and GAM-led Aceh is never far from the surface.

As Indonesian Independence Day approached on 17 August, unknown perpetrators, believed linked to the KPA, tore down hundreds of Indonesian flags across East Aceh, North Aceh and Lhokseumawe, again leading to angry demands in Jakarta for punishment and rumblings about the re-emergence of separatism. The situation was not helped by local police beating up twelve villagers in Tanjong Beuridi, Bireuen during their investigation.<sup>5</sup>

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<sup>4</sup> The registered parties are Partai GAM, led by Malik Mahmud; Partai Rakyat Aceh (PRA), led by Aguswandi; Gabthat, led by Abi Lampisang; Partai Aliansi Rakyat Aceh (PARA) led by Zulhafah Luthfi; Partai Serambi Persada Nusantara Serikat (PSPNS); and Partai Pemersatu Muslim Aceh (PPMA). Information are Partai Aceh Aman Sejahtera, led by Ghazali Abbas Adan; Partai Aceh Leuser Antara (PALA) led by Iwan Gayo; and Partali Lokal Aceh (PLA) led by Munir Azis.

<sup>5</sup> For a full account of the investigation by the Forum Komunikasi dan Koordinasi (FKK) into the flags issue and subsequent

The sordid election spectacle in Southeast Aceh (Aceh Tenggara) district, fiefdom of the Desky clan, is another example of the distrust. Armen Desky, the incumbent *bupati* candidate, was a vocal advocate of carving Aceh into two, with Southeast Aceh to be part of a new Aceh Leuser Antara (ALA) province – in hopes, some suspected, of increasing his resource base.<sup>6</sup> Some GAM leaders believed, not without reason, that Indonesian intelligence supported a division, much as in Papua, to weaken the independence movement. But in the December 2006 district vote, Armen's chief rival, Hasanuddin, edged him out.<sup>7</sup> Armen and the district election board rejected the results.

As challenges and counter-challenges ensued, another Desky, Marthin, was installed as caretaker *bupati* in April over objections of Umuruddin Desky, the head of the district council and ally of Armen.<sup>8</sup> Despite threats of violence, Irwandi, in consultation with police and military commanders, went ahead with plans to install Hasanuddin as *bupati* and do a thorough clean-up of the district government in August, changing not only subdistrict heads but top civil service positions as well. "We have to end the Mafia in South East Aceh", he told the press.<sup>9</sup>

In early August, subdistrict heads loyal to Armen went to Jakarta – at whose expense is not clear – to protest. On the morning of 14 August, the day for Hasanuddin's installation, a riot broke out in Kutacane, the district capital, led by hundreds of supporters of Armen and those being replaced. Several alleged that their successors had been required to pay Rp.60 million (about \$6,000) to Marthin, the caretaker, for their jobs.<sup>10</sup> Four men were arrested, and the installation postponed until 1 September. The lead-up to the new date saw more violence, including a grenade thrown at Marthin's house and an arson attack on a school, attributed to a group called Forum of Democracy Defenders (Forum Pembela Demokrasi, FPD). Many GAM members consider the FPD an intelligence creation

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beatings, see "Insiden Tanjong Beuridi bukan dipicu oleh Penurunan Bendera", *Serambi*, 26 August 2007.

<sup>6</sup> A local journalist called Armen Desky a "little Soeharto" because of all the corruption allegations swirling around him. "Membersihkan Aceh Tenggara dari Mafia Politik", *MedanBisnisonline.com*, 10 August 2007.

<sup>7</sup> The Hasanuddin and Syamsul Bahri team received 36.75 per cent of the vote, Armen Desky and Salim Fakhry 34.15 per cent, according to the Aceh provincial election board. The race was so close that the results were announced only in mid-January 2007.

<sup>8</sup> Umuruddin suggested Marthin treated officials unfairly as district secretary and was implicated in corruption; Irwandi asked for proof. "DPR Agara Terima Marthin Desky", *Serambi*, 23 April 2007.

<sup>9</sup> "Kita Harus Hentikan Mafia-Mafia di Agara", *Serambi*, 7 August 2007.

<sup>10</sup> "Agara Rusuh", *Serambi*, 15 August 2007.

and that while this round went to Irwandi, there will be other efforts to play the ALA card.

Two other possible conclusions can be drawn from the affair: that the rumours of Jakarta backing for Armen Desky were wrong, or that the democratic process in Aceh is strong enough to withstand outside machinations. As district elections approach in November 2007 for South Aceh, another potential component of a breakaway province but with a much stronger GAM presence, the political battle lines may become more clearly drawn.

### **III. PROBLEMS INVOLVING EX-COMBATANTS**

In the immediate aftermath of GAM's electoral victories, few wanted to admit to serious problems with former fighters. The speed of the peace process, the smoothness of decommissioning and donor goodwill all militated against looking too closely at what was happening on the ground. But it quickly became clear not all was well.

#### **A. EXTORTION AND VIOLENCE**

Reports of increased extortion began to surface soon after the elections, particularly in North Aceh. In January 2007, KPA members at a meeting of village heads demanded a cut of Rp.13 million (\$1,300) per village from a donor project to build a memorial for dead combatants.<sup>11</sup> In February workers from a donor organisation were robbed at gunpoint in Seuneudon subdistrict while returning from withdrawing project funds from the bank; the perpetrators were believed to be KPA. Contractors and sub-contractors not linked to GAM along the east coast and in South and West Aceh districts report receiving local KPA demands for 10 to 20 per cent of their respective projects.

The only violent incident involving GAM and the TNI since the elections also started out as extortion and discredited both parties. On 21 March four soldiers from infantry battalion 113 were publicly beaten in Alue Dua village, Nisam, North Aceh. Most local press reports stated villagers had seen four men arrive the night before at a school being built by an international NGO. Word spread that they were intelligence agents, with guns under their shirts. The next day, villagers seized the four, beat them badly and expelled them from the village. Three days later, two truckloads of Indonesian army soldiers arrived and beat up fourteen villagers.

Slowly, details emerged that put the story in a somewhat different light. The four men were active duty soldiers moonlighting for a security firm hired to guard the school after attempts at extortion by the local KPA.<sup>12</sup> KPA members organised the beatings, summoning local journalists to witness the "spontaneous" reaction to the supposed intelligence agents.<sup>13</sup> The military accused the KPA; the local KPA denied it, saying only their

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<sup>11</sup> Confidential memorandum from donor organisation concerned made available to Crisis Group, September 2007.

<sup>12</sup> The NGO was unaware that the security firm brought in soldiers and after the incident immediately severed ties with it for having done so.

<sup>13</sup> Crisis Group interviews, Lhokseumawe, 6 September 2007.

intervention saved the four from a worse fate.<sup>14</sup> The Aceh military commander, Gen. Supiadin, announced there would be no TNI retaliation but on 22 March, military police arrived in the village with the commander of North Aceh district seeking witnesses. No one dared to volunteer, so the military police tried unsuccessfully to force a local journalist from the Banda Aceh-based *Harian Rakyat Aceh* to testify. On 24 March, soldiers entered the village and beat up fourteen men suspected of involvement, to the fury of local residents. An Acehnese remarked: "The TNI could have won this 1-0, but instead they let GAM have the goal".<sup>15</sup>

On 3 April, a package containing a live grenade was delivered to the offices of North Aceh district head Ilyas Hamid (aka Ilyas Pasee) with a note warning him not to continue "infractions in his duties". Local KPA reportedly felt he had sided with the army in the Nisam case.<sup>16</sup> On the same day, the nearby office of Lhokseumawe GAM mayor Munir Usman also received a package containing four bullets and a note warning him to keep his campaign promises.<sup>17</sup>

Later that month, grenades were thrown at the home of Suadi Yahya, KPA member and deputy mayor of Lhokseumawe (23 April); the headquarters of the mobile police brigade (Brimob) in Banda Aceh (24 April); and the home of KPA spokesperson Sofyan Dawood (29 April). No one was caught but disgruntled GAM members acting on their own are believed to have been responsible. Most of those targeted had either intervened to mediate extortion cases or were seen as having secured lucrative projects and failed to give subordinates a fair share.<sup>18</sup> Elections in Bireuen district were marked by more serious violence. Bireuen had been the focus of the bitterest GAM split prior to the December 2006 election. During the campaign, Irwandi supporters beat up his rival for governor, Humam Hamid, who was backed by the GAM old guard. Humam carried the district but the rift was not healed. Unlike most districts, Bireuen did not elect a *bupati* in December because the incumbent's term ran to June 2007. As the 25 June poll approached, Nurdin AR, the GAM candidate known to be close to Irwandi, and his running mate, Busmadar, were seriously threatened; after they won,

someone set off a grenade at Busmadar's office on 29 July, causing damage to the building but no casualties. Again, no one was caught.

The combination of ineffectual government, local KPA commanders acting as little warlords and internal disputes, many over money, is most striking along the east coast. A few GAM-controlled districts elsewhere, for example Sabang, are reportedly running reasonably well. The question is who, if anyone, has the inclination and ability to bring renegade commanders under control.

## B. RISING CRIME

The rise of armed robberies, also largely attributed to ex-combatants, has been the subject of extensive media commentary and has led to a major police drive to collect illegal arms as well as operations against some of the most notorious suspects. In early June, two men shot up the house of an ex-fighter, Badruddin, killing his four-year-old daughter and seriously wounding him and his wife. Badruddin was an ex-GAM commander who reportedly strongly disagreed with the Helsinki agreement; the gunmen were believed to be from a different faction, though their motive was not clear.<sup>19</sup> Badruddin turned out to be on the police most-wanted list for robberies, including of a car belonging to the international NGO CARDI in mid-May. Police also suggested he was responsible for the grenade thrown at Sofyan Dawood's house in April. They arrested him in hospital but the gunmen were not identified.

On 29 August 2007, police in North Aceh arrested Yusuf alias Raket, a KPA member believed responsible for robberies in North Aceh, including of an Oxfam warehouse. The local KPA spokesman denied he was involved in criminal activities.<sup>20</sup> On 7 September, an ex-combatant, Si Teh, was killed in a police raid near Sigli, Pidie. The younger brother of a well-known GAM commander from that area, he had fled to Malaysia during the conflict and returned after Helsinki.<sup>21</sup> He refused to turn in his arms during the decommissioning phase of the peace process and reportedly was angered at the failure of all involved to attend to the needs of former fighters. Beginning with the robbery of a petrol station on 20 February 2006, he became involved in a number of crimes, reportedly including a 4 September robbery that led to the death of a high school administrator in Mali village, Sakti, Pidie.<sup>22</sup>

<sup>14</sup> Laporan Pementauan Konflik di Aceh, Conflict and Development Group World Bank, March 2007, <http://www.conflictanddevelopment.org/data/doc/in/regCaseStudy/aceh/mon/Laporan%20Pementauan%20Konflik%20di%20Aceh%20-%20Maret%202007.pdf>.

<sup>15</sup> Crisis Group meeting, Jakarta, August 2007.

<sup>16</sup> "Ilyas A Hamid: Stop Pemerasan Terhadap NGO", *Serambi*, 8 March 2007; "Kita Dukung Tgk Ilyas Pase", *Serambi*, 10 March 2007.

<sup>17</sup> "Aceh Conflict Monitoring Update for April 2007", World Bank, [www.conflictanddevelopment.org](http://www.conflictanddevelopment.org).

<sup>18</sup> Crisis Group interview, Banda Aceh, May 2007.

<sup>19</sup> Crisis Group phone interview, local journalist, 18 September 2007.

<sup>20</sup> "Anggota KPA Ditangkap", *Serambi*, 30 August 2007.

<sup>21</sup> His brother, Syamsuddin alias Udin Cobra, was killed in a clash with the TNI in 2004.

<sup>22</sup> "Akhir Petualangan Teh", *Serambi*, 8 September 2007.

On the same day as that murder but in a move planned earlier, Aceh authorities released an announcement by Governor Irwandi, the police chief, the military commander, the public prosecutor and the head of the provincial legislature giving people a month to turn in weapons. After that grace period, authorities would begin a crackdown. In an interview, Maj. Gen. Supiadin said the illegal arms include many that were never turned in following the Helsinki accord, some smuggled in from southern Thailand and others acquired elsewhere in Indonesia.<sup>23</sup>

Police say they are too few to handle the crime wave, and their hands are tied because the Helsinki agreement fixes their numbers at 9,100, a figure that bears no relation to the need. GAM leaders agreed that for the elections, reinforcements could be brought in, and the force is now about 11,000.<sup>24</sup> Even so, in some GAM strongholds the local police have so few people that they have all but given up on bringing KPA offenders to book.

GAM officials do not deny that crime is a problem but give different explanations of the cause. One suggested Indonesian intelligence was deliberately tempting ex-combatants into crime to justify more security forces.<sup>25</sup> The GAM spokesman in Banda Aceh said the perpetrators are not “pure” KPA but either men who were expelled from GAM or elements “who benefited from the conflict and are not happy with the peace”. He rejected the idea that resentment over distribution of benefits plays any role in the robberies.<sup>26</sup>

## C. ILLEGAL LOGGING

Given the dearth of jobs, another obvious means besides robbery for rapid monetary return is through extraction of Aceh’s rich natural resources. This is particularly true for resources that can satisfy the booming demand for reconstruction materials, such as sand/gravel (known collectively as *galian C*) and timber.<sup>27</sup>

<sup>23</sup> Crisis Group interview, Maj. Gen. Supiadin, 5 September 2007. The military continues to complain that GAM did not turn in all its arms but the MoU only stated that GAM should turn in 840, and it did so.

<sup>24</sup> “Tren Kriminal Bersenjata”, *Aceh Magazine*, July 2007, pp.17-18.

<sup>25</sup> Crisis Group interview, Banda Aceh, 7 September 2007.

<sup>26</sup> “Juru Bicara KPA Ibrahim Syamsuddin: Bukan Karena Beda Pendapatan”, *Aceh Magazine*, July 2007, p.18.

<sup>27</sup> Wood demand for reconstruction of just homes destroyed by the tsunami has been estimated at 325,000 cubic metres of sawn timber and plywood or 650,000 cubic metres of whole logs, according to a paper by George Kuru, “FAP Assessment of Timber Demand and Supply for Post Tsunami Construction in Indonesia”, 26 April 2005. Aceh’s annual allowable cut for 2005

Aceh, after Papua, has the largest tracts of remaining high biodiversity forests in Indonesia – home to the endangered Sumatran elephant, rhinoceros, orangutan, tiger, and clouded leopard as well as the valuable hardwood timber species *meranti* and *kruing*. Ironically, prolonged violent conflict aided forest protection. Industrial and community logging halted as forests became militarised zones that people were afraid or forbidden to enter. Since the peace agreement, logging appears to have increased because movement is much less restricted, and many insurgents formerly supported by “war taxes” (*pajak naggroe*) are without subsistence and accustomed to operating in illegal sectors.<sup>28</sup> At the same time, demand for wood for tsunami

was only 50,000 cubic metres, amounting to a shortfall of 600,000 for houses alone. Forestry Minister M.S. Kaban in Jakarta increased the annual allowable cut for 2006 to 500,000 to meet demand, but an outcry from environmental groups and subsequent floods and landslides blamed on deforestation caused him to rescind the increase. “Deforestation Likely to Cause Flash Floods in Aceh by End of 2006”, *Aceh World*, 31 January-6 February 2006. While activists have attempted to ensure that reconstruction timber is sourced from confiscated or imported wood to avoid driving illegal logging, the procurement system is voluntary and unaudited.

<sup>28</sup> Field monitoring by the Leuser International Foundation suggests logging has increased significantly since 2005. The 2006 reports show that in the 612 cases documented by field staff alone, over 8,900 tons of wood were cut illegally in the Leuser conservation area, a protected area that includes Leuser National Park. More tonnage came from Aceh Singkil than anywhere else but the cases were most numerous in Aceh Tamiang.

### Gunung Leuser National Park Mobile Patrol Unit reports of illegal logging in the conservation area, 2006

| District                     | No. of cases documented | Amt of illegal wood documented (tons) |
|------------------------------|-------------------------|---------------------------------------|
| West Aceh                    | 19                      | 402.2                                 |
| Nagan Raya                   | 59                      | 908.7                                 |
| Southwest Aceh               | 20                      | 64                                    |
| South Aceh                   | 59                      | 115.4                                 |
| Aceh Singkil                 | 51                      | 5459.1                                |
| Southeast Aceh               | 79                      | 234.2                                 |
| Gayo Lues                    | 33                      | 73.2                                  |
| Central Aceh                 | 14                      | 16.5                                  |
| Bener Meriah                 | 39                      | 118.4                                 |
| East Aceh                    | 59                      | 427.4                                 |
| Aceh Tamiang                 | 115                     | 929.2                                 |
| Langkat (North Sumatra)      | 64                      | 160.6                                 |
| Deli Serdang (North Sumatra) | 1                       | 2                                     |
| <b>Total</b>                 | <b>612</b>              | <b>8910.8</b>                         |

From “Laporan Pemantauan Aktivitas Illegal di Dalam dan Sekitar KEL Jan-Dec 2006”, Leuser International Foundation (LIF) annual report on illegal activities. Claims of increased logging since Helsinki are supported by a report from the Aceh branch of the environmental organisation WALHI that police seizures of illegal wood in 2006 were up 200 per cent from 2005,

reconstruction is high and investors readily available. Abundant forests, cheap labour, ready capital and high demand, coupled with weak law enforcement and rampant corruption, are perfect conditions for rampant forest destruction.

Governor Irwandi declared a logging moratorium at his inauguration and signed the implementing legislation on 6 June 2007. This was intended as the first step in a reform agenda that aims to cancel industrial logging concessions, re-evaluate forest zoning, rewrite forest legislation that too heavily favours commercial production interests and establish community logging projects.

Although the objective of using Aceh's "natural capital" for local benefit is welcome, Irwandi's plans may collide with his primary goal of delivering rapid economic growth and with many of his GAM constituents' interests. Both GAM and the security forces were involved, sometimes jointly, in illegal logging during the conflict.<sup>29</sup> This continues to be true, particularly in GAM strongholds in northern Aceh. KPA leaders repeatedly told Crisis Group that as long as reintegration funds are insufficient to improve livelihoods, they could do little to discourage their men from logging.<sup>30</sup> In addition, Irwandi's enthusiasm for developing oil palm plantations and a planned east-west road will certainly expose valuable timber stocks to uncontrolled logging. His aggressively local vision for Aceh's forest sector is also likely to meet resistance from industrial logging interests in Jakarta and Medan and perhaps from the local police and military well accustomed to decades of benefits from various forms of resource extraction.

Some high-profile enforcement efforts against illegal logging have taken place, and environmentalists report field observations of other anti-logging operations by police across the province.<sup>31</sup> But it is difficult to tell if these efforts are just for show. With the intense struggles

being waged to stake out new political and economic control in transitional Aceh, there may be complex interests at work dictating where and against whom laws are enforced – and enforcement can bring retaliation. On the night of 14-15 May, offices of the district council in Bener Meriah and the nearby offices of subdistrict heads in Bies and Pegasing, in Central Aceh district, were hit by low-explosive pipe bombs. A week earlier eighteen illegal loggers had been arrested in Bener Meriah by a joint team of police and forestry police, assisted by soldiers from a nearby battalion base. There were no casualties, and the perpetrators were never identified, but the arrests and bombings may have been linked.<sup>32</sup>

Often illegal logs are seized but the perpetrators not apprehended, suggesting a pre-raid tip-off or that the police lack the will to arrest well-connected loggers, whether those connections are to GAM or to security forces (including the police). When there is a logging law enforcement drive elsewhere in the country, it is common for illegal loggers to report their own operation, allow the logs to be confiscated and then buy them back at auction as "legal" wood.<sup>33</sup> This "timber laundering" would seem an attractive approach for illegal loggers in Aceh under the conditions of the moratorium, where there are no legal licenses to be faked or fudged.

Even when arrests take place, few result in prosecution, let alone conviction, as cases are too often manipulated through bribes and pressure. In one notorious example, Marzuki Desky, CEO of C.V. Armada Agratama and son of Armen Desky – the man who lost the contested election in Southeast Aceh – was acquitted along with his alleged accomplices in May 2007 of illegal logging in the Leuser National Park, even though the prosecution had satellite imagery proof and confiscated physical evidence of equipment belonging to Desky's company on site. The judge refused to admit the satellite images, and, mysteriously, prosecution experts scheduled to testify withdrew.<sup>34</sup>

Police in many areas continue to have direct financial interests in timber; local papers reported the arrest of the police chief of Mane subdistrict, Pidie, for illegal logging.<sup>35</sup> There are also reports that some TNI officers

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from 33,250 to 120,210 cubic metres. See Dewa Gumay, "Catan Akhir Tahun 2006", Tahun Krisis Ekologi, WALHI/Aceh, 2006. These data must be treated with some caution as systematic forest information is hard to come by and may reflect an increase in reporting or enforcement rather than a rise in actual logging.

<sup>29</sup> James McCarthy, "Wild Logging: The Rise and Fall of Logging Networks and Biodiversity Conservation on Sumatra's Frontier", Center for International Forestry Research (CIFOR), Occasional Paper no. 31, October 2000. McCulloch, Lesley, "Trifungsi: The Role of the Indonesian Military in Business", The International Conference on Soldiers in Business: Military as an Economic Actor, Bonn International Center for Conversion, Jakarta, 17-19 October 2000.

<sup>30</sup> Crisis Group interviews, GAM field commander Aceh Besar, Machsalmina, 18 May 2007, GAM field commander South Aceh, Abrar Muda, 23 May 2007.

<sup>31</sup> Crisis Group interview, Dede Suhendra and Ilham Sinambela, WWF, Aceh, 11 May 2007.

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<sup>32</sup> Crisis Group interview, Banda Aceh, 11 May 2007. See also "Penangkapan Pembalak Liar di Redelong", [www.gayolinge.com](http://www.gayolinge.com), 5 May 2007.

<sup>33</sup> Crisis Group interview, Telapak (an NGO) staff, Jakarta, 7 May 2007.

<sup>34</sup> "Lucky Loggers from Mount Leuser", *Tempo*, 7 January 2007.

<sup>35</sup> "Involved in illegal logging, four police officers in custody", *Serambi*, 7 July 2006; "60 warga Mane minta kapolsek dibebaskan", *Serambi*, 10 July 2007.

own local sawmills.<sup>36</sup> Involvement of law enforcement officials in illegal activities has vexed forest management efforts throughout Indonesia and complicates implementation of the moratorium.

But the biggest challenge to the moratorium is the ability (and will) to enforce it against GAM's own powerful logging interests. Crisis Group interviews suggest TNI and police involvement has declined since the peace agreement, while GAM's has increased, although these dynamics likely vary greatly according to the political landscape in each district. In North and South Aceh, logging remains active since the ban. The KPA deputy district commander for South Aceh, Kartiwi, had an industrial logging concession license issued to him and reportedly believed this was what GAM had been fighting for: a chance for Acehnese to benefit from the province's rich resources. Apparently Irwandi, who cancelled the license, did not agree.<sup>37</sup>

The extent to which the KPA leadership can control a rank-and-file embittered by an opaque, unaccountable reintegration process and still without employment is unclear. KPA leaders repeatedly point out that they cannot stop the lower ranks from "filling their bellies" if reintegration money is insufficient.<sup>38</sup> A wood trader interviewed by Crisis Group said he was regularly approached by GAM members seeking employment as loggers.<sup>39</sup> While Vice Governor Muhammad Nazar stated there would be "zero tolerance" for GAM loggers, neither Irwandi nor KPA leaders have taken a public stand on the problem in their own ranks, issuing only generic pleas to end logging and hinting that the Indonesian security forces are behind it.<sup>40</sup> Yet nearly all interviewees reported heavy involvement in logging by the KPA as well as other community members. Even in areas where non-GAM are the primary loggers, some reported that they are "organised" by the KPA.<sup>41</sup> This could mean equipped, given advance credit on food and supplies, or acting as buyers or labour middlemen.

## IV. REINTEGRATION

Ex-combatants are clearly not the only source of extortion, violent crime and resource extraction but they are an important one. It was in part out of fear of these very problems that the Indonesian government, GAM leaders and donors struggled to put together a number of "reintegration" programs aimed at providing alternative livelihoods to demobilised fighters, although it was always too simplistic to assume that employment or other benefits would prevent post-conflict violence.<sup>42</sup>

Some have provided concrete, tangible benefits. Overall, however, the main government effort has been plagued by unclear goals, poor implementation and lack of transparency in a way that seems to have led as much to polarisation as reconciliation. A wholesale revamping in August 2007 may address some of the management problems but risks reinforcing the idea of reintegration as entitlement in a way that may foster local tensions.

### A. PROBLEMS DEFINING BENEFICIARIES

The concept of "reintegration" is most often used in post-conflict situations where rebel fighters lived for extended periods in military camps far from their communities. In some cases commanders had bound new recruits to their units by forcing them to commit atrocities against their own villages. Reintegration in this context aims to help repair social ties between fighters and their communities, as well as to help former combatants build peacetime livelihoods. This paradigm was never applicable to Aceh. Insurgents were not forcibly recruited, and while many spent extended periods in the jungle, they were usually close to local communities; in fact, many never left their home villages. Many GAM members, like counterparts in other guerrilla movements, object to the term "reintegration" because they believe it implies they were somehow alienated from Acehnese society during the conflict. The overwhelming support for GAM candidates in the December 2006 elections indicates otherwise.<sup>43</sup>

The focus in Aceh was almost entirely on economic reintegration – providing assistance to ex-prisoners, ex-combatants and "victims of the conflict" in the form of jobs or land for those who could work, and social security

<sup>36</sup> "The Fruits of Deforestation in Leuser", *Aceh World*, vol. 1, no. 6, 31 January-6 February 2006.

<sup>37</sup> Crisis Group interview, KPA leadership, May 2007.

<sup>38</sup> Crisis Group interviews, May 2007.

<sup>39</sup> Crisis Group interview, Banda Aceh, May 2007. The GAM members included both current ones and some who surrendered before the peace agreement.

<sup>40</sup> "Firm action will be taken against KPA members involved in illegal logging", *Raykat Aceh*, 3 July 2007, and "Whoever the illegal loggers are, they must be punished", *Serambi*, 5 July 2007.

<sup>41</sup> Crisis Group interviews, Banda Aceh, May 2007.

<sup>42</sup> Some of the fighters who joined GAM after 1999 came from *preman* (thug) backgrounds, particularly in North and East Aceh. It was not as though they turned to violence simply because they lacked steady jobs.

<sup>43</sup> Crisis Group interview, Machsalmina, May 2007. However, the GAM victory resulted from several factors; not everyone who voted for GAM did so out of support for the movement. See Crisis Group Briefing, *How GAM Won in Aceh*, op. cit.

(implying cash payments) for those who could not. There is quibbling now about whether there were promises of jobs *and* land or simply one of the two but the MoU is clear that social security payments were only to go to the handicapped. Nevertheless, the first phase of the program saw cash distributed to ex-combatants as “*jadup*” (*jaminan hidup*, social security), partly as a demonstration of government goodwill, partly in recognition that the fighters needed money to tide them over until they found other sources of income.

From the beginning there were questions of who would receive the money and how it would be disbursed, and different interpretations of what the money was for. Jakarta officials as well as key members of the donor community saw the funds as supporting long-term livelihood development; some GAM members saw them either as compensation for the losses endured during the conflict or simply as their right under the MoU.<sup>44</sup>

Those differences might have been manageable had there been a fixed number of beneficiaries, a fixed payment schedule and a transparent disbursement mechanism, but none of these emerged. It would have been hard enough to work out a program for the seemingly clearly defined categories of ex-prisoners and ex-combatants but the MoU's inclusion of “victims of the conflict” as a third group to receive assistance caused the difficulties to soar. Previous Crisis Group reporting has discussed the early history of the reintegration program but because developments today are rooted in past failures, it is worth summarising here.<sup>45</sup>

Only the prisoner category proved reasonably straightforward, with 1,424 released in August 2005 and another 366 released through a remissions process. An additional 64 disputed cases were gradually released later as arguments over whether they were imprisoned for political or criminal activities were resolved in favour of the former. Each was given a “reinsertion” package in three payments that totalled Rp.5 million (\$500).<sup>46</sup> In

addition, the ex-prisoners were eligible in 2007 to receive another Rp.10 million (\$1,000) per family for livelihood projects from the Aceh Reintegration Board (Badan Reintegrasi Aceh, BRA) on presentation of a card issued at the time of their release.<sup>47</sup>

Ex-combatants were far more problematic. The MoU cited 3,000 as the number actively fighting at the time of negotiation – that is, after GAM had been hard hit by an eighteen-month government offensive followed by the December 2004 tsunami. The real number turned out to be far higher, probably closer to 15,000, who operated within an even larger support network. It became politically untenable for GAM leaders to sanction the distribution of benefits to only 3,000. A long struggle ensued, with donors and the Indonesian government wanting name lists for accountability and GAM refusing, on the grounds that they were not required by the MoU and could jeopardise the security of ex-combatants, turning into hit lists if the peace broke down.<sup>48</sup>

KPA commanders were determined to control the funds, and they prevailed. An initial central government allocation in late 2005 of Rp.1.8 billion (about \$1.8 million) was divided among the commanders, based on a calculation of fighters per district. Most fighters received a small fraction of promised money, many nothing.<sup>49</sup> No questions were asked about how it was spent.

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Ismuhadi Jafar, Irwan bin Ilyas and Ibrahim Hasan are serving life sentences in Cipinang Prison for bombing the Jakarta Stock Exchange in 2000. Diman Subardinan in Sukamiskin prison, Bandung; Hamdani, and Zul Ramli, in Tanjung Gusta prison, Medan; and Mahyeddin M. Adam in Jantho prison, Aceh Besar, are believed to be narcotics cases. An appeal for their release was issued on 20 September 2007 in the name of Forum untuk Keadilan Tapol/Napol Aceh (FKTNA), an advocacy organisation coalition.

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<sup>44</sup> Crisis Group interviews, Leroy Hollenbeck, adviser to the governor, Banda Aceh; Machsalmina, KPA commander Aceh Besar; Abrar Muda, KPA commander Tapaktuan; and Fauzan Azima, field commander Linge, Bener Meriah, 12 May 2007.

<sup>45</sup> See Crisis Group Briefings, *So Far, So Good; Now for the Hard Part*; and *Aceh's Local Elections*, pp. 9-11, all op. cit.

<sup>46</sup> Who was eligible to receive amnesty became contentious. The MoU called for amnesty and unconditional release for “political prisoners and detainees held due to the conflict”, but not those held for what the government called “purely criminal” activities. The dividing line was often difficult, because some GAM prisoners were charged with criminal offences for activities in connection with their role in the movement. In early September 2007, four of the remaining eleven GAM prisoners were conditionally released (meaning they must report to police regularly) and returned to Aceh. Of the other seven, Tgk

<sup>47</sup> “Mantan Tapol-Napol Terima Modal Usaha”, Aceh Recovery Forum News, 11 September 2007, [www.acehrecoveryforum.org/id/index.php?action=ARFNews&no=841](http://www.acehrecoveryforum.org/id/index.php?action=ARFNews&no=841).

<sup>48</sup> The National Budget Planning Board (BAPPENAS) wanted the names as a means of ensuring transparency of payments but a source said the idea originally came from TNI representatives at the Committee for Security Arrangements (COSA). Crisis Group interviews, Banda Aceh, May 2007. See also Crisis Group Briefing, *Now for the Hard Part*, op. cit., pp. 6-8.

<sup>49</sup> Crisis Group Briefing, *Now for the Hard Part*, op. cit., and Crisis Group interview, Lina Fröden, EU reintegration specialist, and Musalhuiddin Daud, World Bank Conflict and Community Development Program, Banda Aceh, 14 May 2007. KPA commander Fauzan Azima said his Central Aceh district calculated to have 107 of the 3,000 fighters in fact had 517, each with a wife and children, Crisis Group interview, 12 May 2007.

## B. CREATION OF THE ACEH REINTEGRATION BOARD

The same thing happened in February 2006 when the BRA was established. It was allocated increasing amounts from the central government budget through the ministry of social affairs – Rp.200 million for fiscal year 2005, Rp.600 billion in 2006 and Rp.700 billion for 2007 (\$20 million, 60 million and 70 million respectively) – and put under enormous pressure to spend quickly.<sup>50</sup> Again, the issue arose of how to deal with the 3,000, since the 2005 allocation included Rp.25 million (\$2,500) per fighter, plus, at GAM's insistence, an additional Rp.10 million (\$1,000) for each of 6,200 "civilian GAM".<sup>51</sup>

BRA decided to fund livelihood projects, based on proposals submitted through the KPA, with names of beneficiaries included. This was a way of getting the names and focusing on development at the same time. By March 2005, 30 proposals involving 927 ex-combatants were funded but with no reliable verification system that the persons named actually existed or received money. That left 2,073 individuals still to be funded. In September-October 2006, the KPA produced a list of names, and BRA prepared cheques accordingly that could be cashed at local banks on presentation of an identity card that matched the name on the cheque. There was still almost no capacity for follow-up or review of how the money was spent, or how much had to be turned over to the KPA commander who submitted the name, but at least the 3,000-name issue seemed to be laid to rest. The problem was that again many fighters claimed to have received less than promised.

Former women guerrillas, in particular, were reported to have been neglected.<sup>52</sup>

Male KPA commanders appeared to be reluctant to acknowledge women as beneficiaries but some donors forced the issue. The International Organisation for Migration (IOM), with separate funds from Japan, developed an in-kind assistance program for 3,000 ex-combatants, with names provided by the KPA. IOM insisted on inclusion of women, and in the end 844 of the 3,000 were female but it took some pressing, and the program was only completed in mid-2007. It is not clear whether there was any overlap with those who received cheques under the BRA program but since all acknowledged that 3,000 was an artificial number, no one was unduly bothered.<sup>53</sup>

At the same time, to avoid accusations of partisanship, BRA also paid Rp.10 million (\$1,000) each to 6,500 members of army-backed militias, known euphemistically as anti-separatist fronts or homeland defenders (*pembela tanah air*, PETA) and GAM members who surrendered prior to the MoU, many considered traitors by the KPA. The names for both these recipient groups came from the district TNI commands.<sup>54</sup> Those payments notwithstanding, the KPA benefited most from this phase of the reintegration program, its power and patronage networks strengthened by control over funds. In some cases, the cash handouts undoubtedly had a positive impact but in others the amounts were too small by the time they reached the intended recipient to do much for building livelihoods.<sup>55</sup>

BRA was also given the impossible task of designing a mechanism to provide assistance to the catch-all category

<sup>50</sup> The provincial government under Azwar Abubakar received Rp.200 billion (\$20 million) in FY 2005 but without any guidance (*Pentunjuk Pelaksanaan*, or *jutlak*) for what so nothing was disbursed. This meant that under Azwar's successor, Mustafa Abubakar (no relation), both FY 2005 and FY 2006 (Rp.600 billion, \$60 million) funds had to be spent or returned to Jakarta. Crisis Group interview, Leroy Hollenbeck, May 2007.

<sup>51</sup> BRA finessed whether GAM combatants were entitled to land. According to one source, GAM members at an early COSA meeting were offered Rp.10 million (\$1,000) per person plus land, or a lump sum of Rp.25 million (\$2,500), with an understanding that the additional Rp.15 million could be used to buy land if desired. The GAM member present chose the lump sum, although apparently without consulting other leaders. There are other versions of how the idea of entitlement to land was dropped but it is clear that in soliciting proposals for livelihood projects, BRA considered the Rp.25 million a lump sum. The question of whether ex-combatants are entitled to land grants over and above what they have already received continues to simmer, with Nur Djuli, the BRA head since April 2007, maintaining they are. Of the 6,200 "civilian GAM", 5,771 received individual cheques in February 2006; there were problems with some of the remaining names.

<sup>52</sup> Crisis Group interviews, women of Tjut Djak Dhien cooperative, Bireuen, September 2007. Good data on the numbers of Inong Balee, the women's wing of the GAM armed forces, are very hard to come by. In Bireuen district, members estimated there were about 60, and they had been systematically excluded from consultation, from the beginning of the peace negotiations through assistance discussions, and most had received nothing. But a former IOM worker in the same district said about 20 per cent of the recipients of assistance for ex-combatants there were women. Crisis Group interviews, September 2007.

<sup>53</sup> Crisis Group interview, IOM, September 2007.

<sup>54</sup> Exactly how the front members came to be designated recipients is not entirely clear but the decision was at a meeting of the joint TNI-GAM Committee on Security Affairs (COSA). The TNI long denied there were militias; the lists from the district commands were direct evidence, although the military still maintains that fronts and militias are not the same. Technically this may be right: not all the fronts were armed, and only those that were can be properly called militias.

<sup>55</sup> Fauzan Azima reported that within two weeks his men had spent all the money and returned to ask for more. Crisis Group interview, May 2007.

of “conflict victims” – and its first effort was a spectacular failure. The category had been included in the MoU as insurance against the accusation that only former rebels were getting aid but not those who had been rebel targets. After developing criteria for defining “victim”, some meaninglessly broad, BRA took out a full-page newspaper ad announcing that those so defined were eligible to submit proposals for individual or group livelihood projects to be funded at Rp.10 million (\$1,000) per person. By May 2006, BRA had received more than 40,000 proposals, an amount its staff were incapable of reading, much less verifying and funding.<sup>56</sup> A second ad was published announcing that no more proposals would be accepted. The result was deep disappointment and anger, especially since some people, expecting to receive Rp.10 million (\$1,000) had incurred costs of up to Rp.300,000 (\$30), sometimes selling livestock or possessions, to pay “agents” and various officials to prepare proposals.<sup>57</sup>

With the end of fiscal year 2006 approaching, and Rp.800 billion (\$80 million) to be spent and no way to identify the victims to spend it on, a desperate BRA engaged the assistance of the central government’s Kecamatan Development Program (KDP). KDP was designed by the World Bank to funnel its infrastructure development funds directly to the subdistrict without going through upper levels of the cumbersome, often corrupt bureaucracy. It was built on the premise that the community should decide its own needs through meetings and consultation, thus avoiding the imposition of priorities from outside and getting greater local buy-in to the funded projects.

KDP had to work against the backdrop of disillusionment of the thousands who had expected direct personal benefits. It classified subdistricts according to whether the impact of the conflict had been heavy, average or light and then ranked them according to population size.<sup>58</sup> Then villages in the subdistrict met as a whole to decide which individuals in the community were most affected and what kinds of group projects would be undertaken.<sup>59</sup>

But GAM candidates swept into office in December 2006 and immediately began assigning their own people to key posts. BRA was a top priority because of the funds it controlled and because its mission was – or should have been – critical to maintaining the peace. On 4 April 2007 Governor Irwandi appointed an ally, Nur Djuli, as BRA head, replacing an academic who had been overwhelmed by the job, and gave him a mandate to restructure the whole organisation – in two weeks.

### C. NUR DJULI TO THE RESCUE

Nur Djuli was an odd choice for the job. A smart, capable, cosmopolitan man who had permanent residence status in Malaysia and had worked for years at the French embassy there, he was also sharp-edged and highly political. He first appeared on the international stage for GAM as a member of its negotiating team at the talks that led to the December 2002 Cessation of Hostilities Agreement. He became part of the core GAM team in Helsinki in 2005, then after the MoU was signed, an architect of a GAM draft of the law that was supposed to implement it. He saw the law that was eventually passed, the Law on Governing Aceh (LOGA), as having betrayed key principles of the Helsinki agreement and became one of the most vocal advocates for its amendment and a return to the literal reading of the MoU. In the 2006 campaign for governor, Nur Djuli sided with Irwandi Yusuf against Malik Mahmud. His relations with Malik remain poor, and he has alienated a few other senior leaders outside Malik’s circle. His commitment to Aceh is fierce and unquestionable but compromise is not one of his strong suits.

Nur’s selection meant that BRA would almost certainly bear his personal stamp, and his stance on reintegration went directly counter to the KDP program. He is very much part of the entitlement school, believing the money is supposed to compensate conflict victims directly, not support general development. It might be true that everyone in Aceh was a victim of the conflict but some suffered more than others. As one sympathetic to Nur’s approach asked Crisis Group, “can a shared village project replace the loss if someone has lost a limb or is so mentally traumatised that he has no hope of functioning independently?”<sup>60</sup> Nur believed the KDP program spread benefits too thinly, not to mention that it could be manipulated like any other program; it was not as though its village consultation process was free from political influence.<sup>61</sup>

economic activities, with the remainder used for village-wide projects such as infrastructure and shared goods.

<sup>60</sup> Crisis Group interview, international NGO worker, 15 May 2007.

<sup>61</sup> Crisis Group interviews, Nur Djuli, 5 and 7 September 2007.

<sup>56</sup> Crisis Group Briefing, *Now for the Hard Part*, op. cit., pp. 7-8. The fact that the teams BRA sent to the field included GAM members guaranteed that most of the proposals came from its supporters. No proposals were funded after the newspaper ad that produced the flood.

<sup>57</sup> Crisis Group interviews, community empowerment NGOs, Tapaktuan, 23-24 May 2007; see also “Tidak Dapat Dana Diyat, Warga Korban Konflik Kecewa”, *Serambi*, 5 January 2007.

<sup>58</sup> For villages identified as both high conflict and high density, the maximum amount available for development projects was Rp.170 million (\$17,000). For those of low density and low conflict, the maximum amount was Rp.70 million (\$7,000).

<sup>59</sup> In 2006, KDP funded 1,724 villages in 67 subdistricts (rural districts only), for a total of Rp.217 billion (\$21.7 million). 80 per cent of funds were spent on individual or small group

The result was another programmatic upheaval at BRA, which involved scrapping the KDP program – separation was announced on 6 June 2007, the divorce finalised on 15 August – and returning to a program of individual payments, with a particular focus on housing.<sup>62</sup> BRA already had a housing program for conflict victims, separate from the KDP program. It began in 2006 and was almost universally criticised. There was no coordination with other donor-funded housing programs. Funds were distributed to subdistrict heads (*camat*) with little accountability for how they were spent. Selection of beneficiaries was murky. Many houses built were uninhabitable for lack of water, electricity, sometimes even floors. The program did not appear to be part of any broader strategy.

Nur is intent on fixing those flaws. Anyone whose house was burned down or damaged during the conflict can apply for funds for a new one. Data on housing claims are submitted at the subdistrict level, and between May and the end of August, close to 40,000 had been registered, reduced to 31,000 once the data was entered on computers. Four-person teams, drawn from BRA, the police, the subdistrict government and GAM to ensure objectivity, were then sent to verify the claims.<sup>63</sup> By early September, when some 1,200 people had been trained for this work, verification had been completed in three districts and only about 36 per cent of the claims of loss or damage had stood up to scrutiny – proof, according to Nur, that the system works.<sup>64</sup> To counter the lack of transparency that characterised BRA from the beginning, beneficiary lists will be published, and anyone can register an objection within ten days.

#### D. ONGOING PROBLEMS

But there are still problems, both technical and political. On the technical side, funds have been slow to come from Jakarta.<sup>65</sup> BRA received the first Rp.250 billion (\$25

million) of FY 2007 funding only in June and will probably get the second tranche in October. All funds technically must be spent by 25 December, though there is a slight possibility some carry over may be allowed. Since not one of some 13,000 houses to be financed by the combined funds had been built under the new program by early September, the task seems Herculean, especially given Aceh's post-tsunami history of glacial housing construction, mired in disputes and corruption allegations.

In the BRA program, the plan is to have construction “self-management” (*swakelola*). A beneficiary will be given money to hire a contractor; those who need help to do so will be offered a list. This way the funds can be disbursed before the house is built but the contractors will likely be linked to GAM, simply because GAM control of this sector is one of Aceh's new political realities. Several people expressed concern the new approach would benefit one group's interests at the expense of the broader community.<sup>66</sup> A thorough, independent review once construction is underway is in everyone's interests to ensure that the safeguards built into the program are working.

How 13,000 recipients will be chosen from the verified claims, and who will get houses first, are also questions. Nur explained that applicants are assessed for need under a point system. Women get priority, and a widow with dependents gets more points than one whose husband is alive and well. But that does not lessen the resentment caused by the sudden halting of the KDP program and a resulting sense of injustice among those ineligible for housing. If the community aid is stopped, what makes a person who lost a house more deserving of individual payments than one who lost livestock or was detained, tortured and released long before the MoU was signed?

The shift from the original proposal-based plan, which raised and then dashed expectations, to the KDP program in May 2006 was hard enough. A man associated with that program described the reaction in one village this way:

[The KDP facilitators'] first community meetings were very tense. People came with their knives [*parang*]. The facilitators were terrified of saying the wrong thing. But people were upset because they had been ignored by BRA and they felt, because they were told there was Rp.10 million (\$1,000) available to people who met certain criteria, that the KDP had been given money that

<sup>62</sup> On 6 June 2007, BRA announced a temporary halt to the flow of reintegration funds. On 15 August, it announced the new program, stating aid would be directed to conflict victims, with priority for women ex-combatants and women victims; the grants would have to be used for ongoing economic activity; and aid would be given to individuals based on the written names and addresses of beneficiaries. No further funds for economic empowerment would be channelled through KDP. “Program Pemberdayaan Ekonomi bagi Korban Konflik 2007”, Badan Reintegrasi-Damai Aceh, press release, 15 August 2007.

<sup>63</sup> It is not clear that this composition will ensure neutrality, particularly if the government representative is also GAM, but at least it is a more serious attempt than previous verification mechanisms.

<sup>64</sup> Crisis Group interviews, Nur Djuli, 5 and 7 September 2007.

<sup>65</sup> Nur Djuli implied Jakarta sought to make difficulties for programs aimed among others at GAM beneficiaries. In fact,

the delays came from parliament's slowness in approving the FY 2007 budget and were not Aceh-specific.

<sup>66</sup> Crisis Group heard widespread complaints about the KPA taking cuts from projects. In South Aceh, local NGOs said both the KPA and local government representatives took cuts from livelihood projects. Crisis Group interviews, Tapaktuan, 23 May 2007.

was rightfully theirs. The villagers who had been forcibly displaced and their homes destroyed during the conflict have been especially vocal. KPA who didn't get any reintegration money or expected Rp.10 million but got far less have also complained. BRA was also supposed to distribute [other benefits]. So people demanded this from us, even though we had nothing to do with it.<sup>67</sup>

In most cases KDP workers were able to overcome initial tensions and suspicions, and the program proceeded reasonably smoothly, with a participation rate that exceeded KDP programs in other parts of Indonesia.<sup>68</sup> With the change back to individual payments, the KDP facilitators are encountering a new wave of problems. Under the BRA-KDP program in one district, 404 villages had received economic empowerment programs; seven had not but their proposals were in the pipeline. Now they had to be told the money would not be forthcoming, and there would be reversion to individual payments. People in the villages that were funded see individual grants being made again and feel they are entitled to their share. All the work that went into securing a joint sense of purpose is degenerating into a competition for cash and a sense that ex-combatants will be the main beneficiaries.<sup>69</sup>

The BRA-KDP divorce does not mean the end of community livelihoods projects, however. The Canadian International Development Agency (CIDA), the UN Development Programme (UNDP) and the U.S. Agency for International Development (USAID) are funding a \$10 million project to assist "unemployed youth in high conflict areas" – a euphemism for ex-combatants. Because the project is not funded with Indonesian government money, it is not considered part of the official reintegration program and is not beset by the same problems. Run by IOM, it uses the KDP model of inviting communities to decide on projects but there is no overlap of target areas with the now defunct BRA-KDP program.

## **E. THE VIEWS FROM JAKARTA AND ACEH**

As the struggles over reintegration funding continue, officials in Jakarta who control the purse strings look on bemused. The problem, one said, in a view echoed by several international observers in Aceh, is that BRA and its donors never had a strategic plan. What does

"reintegration" mean in Aceh? What is or should be BRA's role in the broader context of peace and development? How long should the program continue? How long should beneficiaries be covered? Did BRA exist just to respond to particular points of the MoU or were there broader goals?<sup>70</sup>

Some of these questions might be more easily answered, he said, if BRA or others conducted a systematic review of its programs, based on an analysis of who has received assistance, how much, and for what, and with what impact. None has been carried out but talks are underway about the possibility of a multi-stakeholder review in early 2008.<sup>71</sup> But the BRA is not the only institution providing cash grants to individuals in the name of reintegration. Now that GAM controls many key district governments, allocations are coming from district councils (DPRD), earmarked for combatants, under KPA supervision. In East Aceh, for example, the council allocated Rp.600 million (\$60,000) and in North Aceh, Rp.22 billion (\$2.2 million) for both ex-combatants and conflict victims.<sup>72</sup>

Central government funding for BRA is scheduled to end with the FY 2007 disbursements. This does not mean BRA has to close but the Aceh government and BRA staff need to think through a work plan, and a financing plan, to continue it under local government funding, especially since the provincial budget will have some Rp.13 trillion (\$1.3 billion) as an allocation from the national budget in 2008 when LOGA enters into force.<sup>73</sup> GAM officials say use of that money has to be jointly agreed by the province and districts, and reintegration will not necessarily be the latter's priority.<sup>74</sup> There is also a fundamental disconnect between the notion that reintegration should be financed out of the provincial budget and the literalist interpretation of the MoU that all reintegration funding is a central government responsibility.

<sup>67</sup> Crisis Group interview, Banda Aceh, 23 May 2007.

<sup>68</sup> "Community-Based Assistance to Conflict Victims through KDP (BRA-KDP)", 10 May 2007, report of an unofficial supervision mission prepared by a KDP team. Independent reports raised questions about the effectiveness of some of the funded projects but did not challenge findings about the breadth of community involvement.

<sup>69</sup> Crisis Group interview, KDP staff, September 2007.

<sup>70</sup> Crisis Group interview, Jakarta, 24 September 2007.

<sup>71</sup> Crisis Group interview, BAPPENAS official, Jakarta, September 2007 and communication from World Bank official, September 2007.

<sup>72</sup> Crisis Group interviews, officials from East and North Aceh, August and October 2007.

<sup>73</sup> Ibid.

<sup>74</sup> Crisis Group interview, Jakarta, 23 September 2007.

## **V. TENSIONS WITH JAKARTA**

Several issues have caused friction with Jakarta since the signing of the Helsinki agreement but most have been relatively minor. The huge one in the wings is over the MoU itself. GAM correctly points out that it has not been fully implemented. Some Jakarta officials say LOGA enshrined as much of the MoU as Aceh can reasonably expect. Others acknowledge the deficiencies but say any amendments will have to await the 2009 elections. When changes take place is less important than the recognition that they will have to: there is a fundamental gulf between autonomous Aceh and the central government over the extent of power sharing that unless discussed, let alone bridged, could undermine the peace.

On the second anniversary of the Helsinki signing, 15 August 2007, an “MoU Helsinki Watch” group wrote to President Yudhoyono, the European Union and Crisis Management Initiative, the organisation of former Finnish president Martti Ahtisaari, who brokered the peace. Signed by Bakhtiar Abdullah, the former GAM spokesman in Sweden, who left Malik Mahmud to join Irwandi’s camp; Nur Djuli and two other GAM figures, the letters included a matrix showing which MoU provisions LOGA violated, which it left in need of clarification and which were simply not implemented. The most critical issues involved the authority of the Aceh government, the role of the TNI, human rights, release of remaining GAM prisoners and central government funding for reintegration.<sup>75</sup>

GAM concerns were heightened by a draft government regulation prepared in February 2007 – one of six at the national level needed to implement the MoU – on division of authority and functions between Aceh and Jakarta. According to those who have seen it, Aceh would be treated almost exactly like any other province, not as a self-governing territory as the GAM team understood had been agreed in Finland.

The political obstacles to addressing many GAM concerns with non-implementation of the MoU are huge, especially where the Indonesian parliament’s amendment of LOGA would be required. For example, the MoU stated that any Jakarta policies regarding Aceh need the “consent of” the Aceh government; LOGA weakened this to “consultation with”. The chances it will be changed back are close to nil, as reflected in the comment of the local military commander: “Unthinkable that a father would have to ask the consent of his child!”<sup>76</sup> The shock of GAM’s electoral victory was such that any attempt to reopen LOGA might result in attempts by nationalist parliamentarians to cut

back on some points already conceded. With presidential and parliamentary elections in 2009, opponents of President Yudhoyono will be eager for any signs of his going soft on territorial integrity or taking positions that could be interpreted as allowing foreigners back into negotiations over Aceh.

While it may be the wrong time for GAM pressure for full implementation of the MoU, its supporters fairly suggest that waiting until political conditions are right might mean deferring the issue forever. The need is to establish a bilateral forum that is weightier than the existing Communication and Coordination Forum (Forum Komunikasi dan Koordinasi, FKK), with mechanisms that would enable both sides to achieve implementation progress without a third-party facilitator.<sup>77</sup> The Yudhoyono administration could help by agreeing to discuss GAM concerns, such as the human rights provisions, that can be resolved without amendments and in which the broader Acehnese community has a deep interest. The problem is to find appropriate counterparts. Malik Mahmud no longer has the confidence of the dominant faction in GAM, and elected GAM members are out, since officially they are part of the Indonesian government.

<sup>75</sup> Copy of letter on file with Crisis Group.

<sup>76</sup> Crisis Group interview, Maj. Gen. Supiadin, 5 September 2007.

<sup>77</sup> The FKK was established in April 2007 as part of the Aceh desk under the Coordinating Ministry of Politics, Law and Security. Under the leadership of Brig. Gen. Amiruddin Usman, a respected Acehnese military intelligence officer, it was seen in Jakarta as a local successor to the Aceh Monitoring Mission (AMM) in terms of investigating violent incidents and heading off potential security threats. It is not well placed, however, to address some of the broader disputes about the extent of Aceh’s authority under the LOGA.

## **VI. CONCLUSION**

Everyone involved in Aceh – GAM, civilian officials, the military, donors and international NGOs – needs to understand that while reconstruction and reintegration issues are important to address, Aceh-Jakarta relations are the key to a lasting peace. The difference in perceptions is vast. The Yudhoyono government and many Indonesians see Aceh as a success, a closed chapter with a happy ending. Many Acehnese see the peace as an intermission in a conflict that will inevitably resurface. The task is to prove wrong what seems a widespread sense of foreboding.

To this end, the GAM leadership needs less money for new projects and more donor pressure to attend to governance, work on development strategies and control its rank-and-file. BRA needs to be evaluated by independent professional teams so the Acehnese public and donors can get a clear idea not just of how funds have been spent but what their impact has been. Officials in Aceh and Jakarta, supported by the donor community, also need to end the tsunami/conflict bifurcation and work toward policies that address Aceh's needs as a whole.

An evaluation of police performance in response to violent crime should be undertaken to see where incidents were effectively addressed and how, and where they were not and why. While security has been vastly improved since the Helsinki agreement went into effect, low-level violence can still set in motion a progression of self-defence groups, provocation and retaliation that ends in new conflict.

Above all, a dialogue process needs to resume between the central government and GAM. Making progress, however slow and incremental, and perhaps ultimately partial, on resolving some of the issues around the MoU is critical, but the parties must be in formal dialogue with one another for that to happen. The conflict may be over but the peace needs work.

**Jakarta/Brussels, 4 October 2007**

## APPENDIX A

### MAP OF ACEH



## APPENDIX B

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The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 130 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

Crisis Group's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made available simultaneously on the website, [www.crisisgroup.org](http://www.crisisgroup.org). Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

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**October 2007**

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