

# Multi-Stakeholder Review of Post-Conflict Programming in Aceh

Identifying the Foundations  
for Sustainable Peace and  
Development in Aceh





# **Multi-Stakeholder Review of Post-Conflict Programming in Aceh**

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for Sustainable Peace  
and Development in Aceh



December 2009

The opinions expressed in the report are those of the authors and should not be attributed to the institutions they work with, or any of the bodies who have supported the MSR.

# Foreword

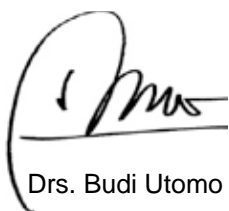
Over four years on from the signing of the Helsinki Memorandum of Understanding (MoU) Peace Agreement, Aceh is largely peaceful. That said, the foundations for long term sustainable peace and development are only now beginning to be laid. Recent successful national parliamentary and presidential elections, and local elections for parliament and head of regions in Aceh, steady decreases in poverty levels, and increased provincial and district revenues all bode well for the future. While there have been significant challenges to date, peace has held primarily due the commitment of the Acehnese people, together with support from the government, GAM leadership and the international community.

This strong commitment to peace will be needed more than ever to consolidate the substantial gains to date as tsunami reconstruction and many conflict recovery programs wind down. The population at large will need to let go of conflict-era identities for deeper reintegration to occur. Struggles over access to resources and power will need to be managed. Governance at all levels will need to be improved.

The peace process is now entering a new phase and despite this, to date there has been no comprehensive roadmap to guide stakeholders. The Multi-Stakeholder Review of Post-Conflict Programming in Aceh (MSR) together with strategic initiatives by the Aceh Peace-Reintegration Board (BRA) and National Development Planning Agency (BAPPENAS), and the legal framework of Presidential Instruction No. 15 of 2005, provide a solid base for the government, donors and implementing organizations for policy formulation, program implementation and partnership building.

The MSR itself has been a model of partnership between the government and donor communities. Desk Aceh of the Coordinating Ministry of Politics, Legal and Security Affairs, BRA, BAPPENAS, AusAID, the World Bank, the Embassy of the Kingdom of the Netherlands, UNDP, UNORC, USAID-SERASI and DFID all worked together to financially support and guide the MSR. We support it as a comprehensive and practical contribution to the continuing successful peace process in Aceh.

Moreover, as recommended in the MSR, we strongly encourage a broad range government institutions and agencies to become more proactive in the peace process in Aceh. Implementation of this and many of the other recommendations in the MSR towards government, communities, donors and implementers, is one of the challenges that we now face. However, we are confident that together with a broad range of stakeholders, and the commitment of the Acehnese people, the numerous challenges can be overcome and peace in Aceh consolidated.



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This report has been endorsed by all members of the CMT as well as BAPPENAS and Desk Aceh of the Coordinating Ministry of Politics, Legal and Security Affairs. Please note that endorsement does not imply agreement with the findings and recommendations of the report, but rather that the individual or the organization supports the MSR report as a contribution and reference for policy formulation and program implementation for building the foundation for sustainable peace and development in Aceh.

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Soft copies of this report in English and Indonesian and all of the annexes are available online at [www.conflictanddevelopment.org](http://www.conflictanddevelopment.org)

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*'Becaks' for peace at a rally in support of MoU in August 2008.*





# Executive Summary

The Multi-Stakeholder Review of Post-Conflict Programming in Aceh (MSR) was undertaken by the Aceh Peace-Reintegration Board (BRA), the National Development Planning Agency (BAPPENAS), AusAID, DFID, the Embassy of the Kingdom of the Netherlands, UNDP, the USAID-SERASI program and the World Bank between May 2008 and December 2009 with IOM contributing in the initial phase. It builds upon recent efforts by BRA and its partners to better plan and coordinate post-conflict programming, based on a shared understanding and strategic vision. The MSR has engaged a wide range of government, international and local stakeholders.

Four years on from the Helsinki MoU, it provides a framework for future policies and programs to consolidate peace and development in Aceh. The MSR employs a comprehensive framework to identify post-conflict needs and issues in Aceh and ways to most effectively respond to them. It considers issues relating to livelihoods and the economy, politics, security and social cohesion, and governance and institutions. Within each of these areas, the report discusses existing programs, needs, challenges and constraints at the individual, community and macro levels. This allows for a consideration of the policies and programs that can build the foundations for sustainable peace and development in post-conflict Aceh.

Displacement, trauma, damage to property, disruption to primary livelihood source, and physical injury or illness are most common forms of victimhood.

## The Conflict Affected

The conflict had negative impacts on most of Aceh's population. The MSR estimates that there are 14,300 former Free Aceh Movement (GAM) combatants in Aceh. Over half of the former combatants can be found in the four most heavily conflict affected districts: Aceh Utara, Bireuen, Aceh Timur and Pidie.

Nationalistic groups that opposed GAM during the conflict now come under the collective banner of *Pembela Tanah Air* (Defenders of the Homeland, PETA). Many of the former GAM fighters underwent re-education (*binaan*) by the Indonesian Government. After the MoU they formed their own organisation called *Forum Komunikasi Anak Bangsa* (Communication Forum of Sons of the Nation, FORKAB) to advocate for claims for assistance. Members of these groups have received assistance through BRA. Moreover, almost all of the 2,035 former political prisoners released after the MoU have received assistance, as have a number of prisoners released before the MoU.

Approximately 1.5 million people or 39 percent of the population consider themselves to be victims of conflict. Displacement, trauma, damage to property, disruption to primary livelihood source, and physical injury or illness are the most common forms of victimhood. Victims are concentrated in the four most heavily conflict affected districts plus Lhokseumawe.

Women were affected by the conflict in a number of ways. A small number carried arms, approximately 680



*Former political prisoner in her new cafe she set up with assistance.*

were in GAM's military structure, and 3,800 played a variety of supporting roles in the conflict. Many women were forced to take on the role of the primary provider for their families. Some witnessed the death of family members while others still suffer from the uncertainty of disappearance. An unknown number of women on both sides of the conflict were subject to sexual violence. While some women have shown remarkable strength, others are still traumatised. Stigma and a reluctance to openly address the issue are hampering effective responses to the problem.

Over 400,000 people were displaced by the conflict. While most have returned, between 45,000 and 145,000 people are still displaced, mostly in the four most heavily affected conflict districts. Returnees often face significant challenges upon return such as retrieving property, rebuilding relationships and finding work. IDPs and resettlers face issues of tension with host communities, access to resources and, again, employment.

### **The Cost of Conflict**

The conflict exerted an immense toll on Aceh. The economic cost of the conflict is estimated to be Rp. 107.4 trillion (US\$ 10.7 billion). This is almost twice the cost of damage and losses from the December 2004 tsunami. Economic losses due to the conflict were eight times greater than the cost of damages incurred. The provincial economy incurred 61 percent or Rp. 65.5 trillion (US\$ 6.5 billion) of the total cost of conflict, while the cost to the national government was Rp. 41.9 trillion (US\$ 4.2 billion).

The productive sector bore the brunt of conflict damage and loss. Agriculture and enterprise were particularly affected, heavily impacting on the lives of rural communities. The conflict damaged rice and other agricultural fields and killed livestock in nearly all districts. Over 50 percent of rural infrastructure in Aceh was damaged directly or indirectly to some degree as a result of the conflict. Almost 4,000 schools (two-thirds of the total in rural Aceh) were damaged. As of 2006, 33,000 houses were still completely destroyed and another 77,000 had sustained heavy or moderate damage. The fighting also damaged 7,700 km of road and almost 2,200 bridges. The cost to the government of maintaining security during the conflict is estimated at Rp. 22.5 trillion (US\$ 2.3 billion), or 21 percent of the total cost of conflict. Foregone tax and utilities revenues were also significant.

The conflict had the greatest impact on the north-east districts of Aceh Utara, Aceh Timur, Pidie and Bireuen, while Aceh Selatan, Bener Meriah, Aceh Besar and Aceh Tengah were also heavily affected. The pattern of damage and loss differed across districts, with particular types of infrastructure and facilities sustaining different levels of loss in each district, underscoring the need to design district-specific approaches to address damage and effectively help communities resume productive lives. Sunk costs, which cannot be recovered or compensated for, account for Rp. 46.1 trillion (US\$ 4.6 billion) or 48 percent of losses. Recoverable loss can conceivably be compensated for (although this not recommended by this report) and accounts for Rp. 49.5 trillion (US\$ 5.0 billion) or 52 percent of loss.

### **Stock-Take of Post-Conflict Assistance**

Although large strides have been made in addressing the needs of conflict-affected individuals and communities, total funds provided to date have been inadequate to address damage and losses caused by the conflict. However, over the long-term the total peace dividend from the peace process provided by the government will exceed the provincial cost of conflict.

The total amount of funds committed to reintegration and peace-building both directly and indirectly is estimated at Rp. 9.0 trillion (US\$ 895.1 million). This is one-seventh the amount provided for the tsunami reconstruction effort, despite the greater levels of damage and loss from the conflict. Needs in agriculture and transport remain in conflict-affected areas.



Direct or specific reintegration and peace-building assistance to the end of 2008 has totalled Rp. 3.7 trillion (US\$ 365.6 million). Similar shares have been provided by the Government of Indonesia (GoI) and by international donors. Of the total funding committed for reintegration and peace-building programs, 96 percent has already been allocated and 81 percent has been disbursed. Given the remaining needs, this underscores the need for new support for direct peace-building programming in the short to medium term.

GoI assistance includes Rp. 135 billion (US\$ 13.5 million) of district and provincial government funds allocated to general development programs in conflict-affected regions. In addition, an estimated Rp. 5.3 trillion (US\$ 529.5 million) of tsunami recovery and development funds have supported post-conflict recovery in areas not affected by the tsunami.

The four most heavily conflict-affected districts of Aceh Utara, Bireuen, Aceh Timur and Pidie have received the highest levels of assistance, indicating effective geographic targeting. Thirty-eight donors and 89 implementing organisations have delivered 140 direct reintegration and peace-building programs across Aceh. This is significantly lower than the number of agencies involved in tsunami reconstruction, making coordination potentially easier. A wide variety of approaches to support post-conflict recovery have been followed.

Many former combatants and conflict victims claim they have yet to receive any assistance.

However, as a group, former combatants and civilian conflict victims have received greater amounts of reintegration assistance than civilian non-victims. To date, the greatest share of funds has been allocated to projects focusing on governance and administration; followed by community culture and religious facilities; housing; and enterprise support. Agriculture and livestock account for a small proportion of post-conflict recovery assistance. BRA has committed to provide housing assistance to almost 30,000 households, in line with the total number of destroyed households as of 2006. BRA has already supported the reconstruction of three quarters of these.

The four most heavily conflict-affected districts of Aceh Utara, Bireuen, Aceh Timur and Pidie have received the highest levels of assistance, indicating effective geographic targeting.

The Government of Aceh stands to receive an estimated additional Rp. 78.6 trillion (US\$ 7.9 billion) in special autonomy funds between 2008 and 2027 as a result of the Law on the Governing of Aceh (LoGA). The total value of the peace dividend in Aceh from the autonomy funds and



*Women picking chillies in November 2005.*



assistance is 130 percent of the provincial cost of conflict giving Aceh a chance to build back better from conflict. Most of this funding is provided by the central government as part of the special autonomy funds. If these funds are spent properly, they can clearly address the majority of long-term reintegration and post-conflict needs. To do so, these funds must be employed in an effective and transparent manner. Future donor support should focus on capacity-development and institutional strengthening, and improving the conflict-sensitive delivery of services and development programs.

## Livelihoods and the Economy

Nearly all population groups are benefiting from Aceh's economic recovery since the end of the conflict—particularly from the resumption of agriculture and small-scale trade.

There has been a significant rise in employment levels among former combatants, with most now working; ex-combatants are now more likely to have jobs than the non-combatant population. Most former combatants and ex-political prisoners have returned to the occupations they held prior to joining the insurgency—mainly farming and agricultural wage labour, with others mainly performing non-agricultural daily wage labour.

Despite high employment rates, former combatants are, on average, less wealthy and have lower incomes than the civilian population at large. There is large variation within the former combatant population; since the conflict ended, certain groups, particularly former GAM military (TNA) officers, are accruing wealth more rapidly than other population groups.

Reintegration assistance has had little measurable impact on the economic status of recipient households. In fact, households that did not receive assistance have increased welfare levels faster than those households that did receive assistance. In part, this is because many government programs have delivered cash without guidance, follow-up or assistance to ensure its effective use. Few services or programs exist to provide skills training or business development support to former combatants, political prisoners or conflict victims. Only a small number of former combatants or amnestied political prisoners have returned to school since the conflict ended.

In the medium to long term, strategies to promote general growth may be more effective in dealing with the needs of most conflict-affected people than targeted assistance programs. However, certain vulnerable population groups—especially IDPs/recent returnees, conflict widows and female-headed households—will continue to require carefully targeted assistance. Targeting of such groups should be based on indicators of vulnerability rather than conflict-era identity markers, and in most cases communities will be best placed to decide on who should benefit.

Much of the poverty reduction seen in Aceh is a result of the recent growth of the province's economy. This growth is largely due to the massive influx of tsunami reconstruction aid. As the post-tsunami reconstruction period draws to a close, non-farm employment opportunities in the construction and service sectors are dwindling.

Although inflation has flattened, high living costs are impacting households' ability to save and invest, and a high minimum wage is affecting employment generation through new

Nearly all population groups are benefiting from Aceh's economic recovery since the end of the conflict—particularly from the resumption of agriculture and small-scale trade.



*Children supporting the Aceh Youth Radio Program which discussed youth issues related to the peace process.*

investment. Despite a concerted effort by provincial and local governments and numerous donor-supported programs aimed at creating a conducive business climate, investment in Aceh remains minimal. The draft Aceh Green policy framework employs a progressive approach to investment and development.

### Politics, Security and Social Cohesion

Great progress has been achieved in reintegrating former combatants, political prisoners and returnees into social and political life in Aceh. However, the persistence of conflict-era identities and structures continues to thwart the full assimilation of some of these individuals into society.

Levels of violent conflict have dropped dramatically since the signing of the Helsinki accords. Moreover, in the first half of 2009, the number of incidents of violence fell from previous years. Crime rates are well below those of neighbouring North Sumatra province and a perceived rise in criminality in 2008 that was undermining public trust in the peace process may have lessened with the successful elections and reduction in violent incidents. While this is encouraging, tensions over ongoing aid, mistrust between groups and dwindling reconstruction funds means that recent positive trends are not assured in the long term and ongoing attention is required.

Vigilantism, disputes over government contracts, aid conflicts and domestic violence are the most prevalent forms of localised violence in post-conflict Aceh. Politically, it is still too early for the provincial and national governments to consider the establishment of two new provinces in Aceh's mountainous interior and south-western regions. Power-sharing arrangements between Aceh and Jakarta are still to be solidly defined and currently peace is not sufficiently consolidated to handle such upheavals. The legitimacy of partition can be examined once peace is further consolidated.

Moreover, the continued presence of conflict-era organizations such as the Aceh Transitional Committee (KPA), PETA and FORKAB, poses a challenge to political stability and security. Rising membership in these organizations perpetuates both conflict-era identities and pressure on the government for ongoing individual assistance.

Rural communities in Aceh are characterised by strong social capital and high levels of trust in local village-level leadership. In contrast, public trust in higher levels of government remains low. In highland areas inter-village and inter-ethnic relations are a source of tension, as are IDP/returnee relations with villagers throughout the province. Deeper reintegration of former combatants has yet to occur with limited close friendships with civilians.

Elections for heads of regional government and, more recently, for district, provincial and national members of parliament, were largely free and fair with relatively low levels of violence and high participation rates. However, as in other parts of Indonesia, there were problems such as 'money politics' and intimidation in the elections, which could undermine the process of establishing democratic governance in a still recovering Aceh.

### Governance and Institutions

The Aceh peace process is led by the government and as such differs from many other post-conflict programs worldwide. This provides many opportunities; but there have also been limitations in the effectiveness of government programs and strategies.

A comprehensive and inclusive strategy across the government for consolidating peace in Aceh is still lacking although recent efforts by BRA in producing a



*Two women reading the MoU together soon after its signing.*

draft 'Comprehensive Action Plan' for its work is a positive development. There is no effective and broad institutional structure to oversee the wider implementation of the peace process in the long term. Initial attempts to incorporate reintegration and post-conflict recovery and development programs into relevant line ministry activities have faltered.

The mandate of BRA is broad, contested and constrained, despite the issue of a new Governor's Decree in June of this year. BRA's performance is constrained by limited authority, lack of institutional consensus with Jakarta, overly ambitious planning, funding delays, inadequate staff capacity and organisational problems. Recent restructuring and internal attempts to clarify the agency's function and authority, and a revised Decree due later in the year, are welcome and hopefully will improve BRA's effectiveness.

There is no broad government-wide strategy being implemented for consolidating the peace process in Aceh. The initial government strategy of Presidential Instruction No. 15, 2005 while bold and innovative has not been fully nor systematically implemented, especially in regards to assistance. This has hampered the mainstreaming of conflict recovery planning and sensitivity across the government agencies and institutions. Despite coordination efforts and directives to action towards these agencies by the Coordinating Ministry for Politics, Legal and Security Affairs as the lead coordinating agency designated by the Instruction, these have not been completely translated into concrete actions. Lack of proper delegation and follow up has put pressure on BRA as the local agency tasked with overseeing the peace process.

International experience and expertise is not being effectively provided or utilised to support the peace process in Aceh. Most international agencies have formulated and implemented programs without adequate co-ordination with each other or with the government. More effort should be put in to working with and supporting government-led implementation in the future.

Progress has been made in tackling corruption in Aceh with the Agency for the Rehabilitation and Reconstruction for the Region and Community of Aceh and Nias (BRR) having set new standards for the province. Recent provincial government initiatives to tackle corruption are also welcome and should be strengthened. However, during the conflict, Aceh had a reputation as one of the most corrupt provinces in Indonesia and predatory practices from the conflict period still continue to a degree. This is further compounded by limited local government capacity, another legacy of the conflict era.

The Indonesian National Armed Forces (TNI) are still cautious toward the activities and motives of KPA and GAM members. They are active in internal security roles taking an aggressive interpretation of the clauses in the LoGA regarding the TNI's role in 'the maintenance, protection, and defense of the integrity and sovereignty of the Unitary State of the Republic of Indonesia'.<sup>1</sup> This risks alienating sections of the Acehnese public if overdone. Improved law enforcement is also crucial to the long-term success of the peace process. While the police's record in solving crime has improved, there is still a need to develop its investigative capacity, overall professionalism and its relationship with communities. The legal system overall also requires ongoing attention to build its capacity and public faith in its institutions.



*Village meeting to discuss aid in Gempang, Pidie.*

Considering the high levels of trust among rural communities in village government and customary institutions, these entities can play an important role in consolidating peace in Aceh, and need to be prioritised in peace-building, recovery and development programs. Local government also represents a crucial locus for increased women's participation in decision-making and peace-building.

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## Towards a Framework for Supporting Peaceful Development in Aceh

The MSR provides a number of recommendations that can serve as a basis for the development of future strategies to help consolidate peace and promote prosperity in post-conflict Aceh.

### Livelihoods and Economy

#### *Individual level*

1. The time for widespread individual targeting of reintegration assistance has passed. There is a need for both the government and donors to transition quickly to approaches aimed at improving community and general welfare.
2. That said, limited targeted assistance needs to continue for certain vulnerable groups such as female-headed households, displaced peoples, recent returnees, certain types of conflict victims, including those who suffered from sexual violence, and the elderly, along with potentially problematic groups such as unemployed or underemployed former combatants and youth in high conflict-intensity districts.
3. The criteria for further individually-targeted assistance need to shift from the MoU categories (former combatants, amnestied prisoners, and conflict victims) to other vulnerability measures. These should focus on:

- a. The most marginalised households and individuals, who are struggling to benefit from community-based and broader development approaches; and
- b. Security concerns, i.e., limited economic assistance to individuals who pose a security risk.

Identification of individuals should be done by communities, rather through conflict era structures, and should include benefits for the wider community. Labelling beneficiaries based on conflict-era identities and experiences should be avoided.

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#### *Community level*

1. Community-managed government programs such as PNPM/BKPG and donor programs that also coordinate and work with government should be continued and, if successful, expanded. Programs such as these can be useful in providing much needed:
  - a. Small-scale infrastructure construction projects—including roads, bridges, irrigation, drainage, water and sanitation—which generate short-term employment and income opportunities, while providing badly-needed infrastructure to reduce isolation and promote economic development in rural areas; and
  - b. Livelihood projects and small to medium-scale enterprise development, including provision of capital, skills development, value chain development, improving market access and strengthening of village micro-credit associations, and collective production and/or marketing groups. These programs have proven especially effective in providing income support for disadvantaged women in the community.
2. Developing partnerships between local government agencies and NGOs can be effective in improving quality, enhancing government legitimacy and building understanding.
3. Existing mechanisms such as PNPM/BKPG and the *Musrenbang* can be strengthened in terms of their contribution to consolidation of peace by building the capacity of facilitators and government officials for conflict-sensitive planning, strengthening mechanisms to ensure marginalised groups are more fully included, and by linking community initiatives to complementary government and donor programs and projects. Additional components



supported by donors or government to these existing mechanisms that specifically aim to build peace such as socialization of peace process issues (Truth and Reconciliation Commission, assistance to conflict victims etc.) or conflict resolution training to village leaders will add peace consolidation value to these mechanisms.

### ***Macro level***

1. Programs and strategies are needed to promote investment and business development. A portion of Aceh's special autonomy fund windfall and other public funds should be utilised for this.
2. Improvements in access to credit and modern financial services are needed to support investment and enterprise development in the province. This includes: loosening regulations to allow bank and other financial institution branch expansion and more flexible lending amounts to cover the needs of rural entrepreneurs and small-to-medium-sized enterprises; improving methods of assessing credit worthiness; further mentoring and capacity building of micro- and small credit institutions; building partnerships between commercial and such credit institutions to develop more flexible lending products; and better promoting of finance and business services in inland areas.
3. Support for business development services to improve accessibility, e.g., through government subsidies and partnerships with finance institutions, is recommended.
4. A more conducive business environment is needed to attract investment and counterbalance declining oil and gas revenues and tsunami reconstruction aid—in particular, there is a need to support growth in agriculture and agro-forestry, and to increase value adding<sup>2</sup> within the province. Aceh Green should be supported and pursued as provincial government framework for investment and development that is innovative and supportive of the long-term peace process.
5. Major government investments are required in transportation, power, irrigation and other infrastructure, especially in areas with high levels of conflict damage and poverty.
6. Ongoing monitoring of the economic situation in Aceh can assist in devising effective development programs and regulatory frameworks.



## **Politics, Security and Social Cohesion**

### ***Individual level***

1. While the overall emphasis of post-conflict programming should change to broader development projects, some individually-targeted projects are needed for groups who pose a risk to peace (see above) or are a source of tension. These should focus on building capacity to enhance long-term earning power, breaking up disruptive social networks, and combining economic assistance with social support. When assisting individuals, there should be broader benefits for the community as well.
2. Programs to send vulnerable individuals overseas for work, or inter-province for skills training courses, have promise.
3. Domestic violence can be combated through both preventive and responsive measures including public awareness and education campaigns (especially those targeting boys and men), women's empowerment, and support services for victims of domestic violence. This can

include support for, and collaboration with, local and provincial women's NGOs and CBOs, and with local government.

### ***Community level***

1. Community and business development activities can enhance social cohesion if they bring together people from different social groups. This may be applied to areas with displaced people and recent returnees, high numbers of former combatants and communities split politically during the conflict.
2. Village institutions and communities should be engaged in the implementation of village infrastructure and social and economic development programs to increase social cohesion and ensure effectiveness. Where possible, existing platforms for this should be used such as PNPM/BKPG and *Musrenbang*.
3. Village and local government leaders should be educated in conflict resolution techniques.
4. Increased women's participation in village government and decision-making structures can significantly improve the equity and conflict-sensitiveness of local initiatives and programs.
5. Constructing community meeting facilities can help build social cohesion and collective action capacity.

Increased women's participation in village government and decision-making structures can significantly improve the equity and conflict-sensitiveness of local initiatives and programs.

### ***Macro level***

1. The provincial and national governments at this time should delay consideration of the establishment of new provinces until peace is more consolidated. Grievances can be addressed through increased government support for local development initiatives, infrastructure and improved service delivery in restive areas.
2. There is a need for continued monitoring of the security condition in Aceh in order to be able to respond quickly to emerging issues.

## **Governance and Institutions**

### ***Community level***

1. There is a need to support the further development of effective, accountable and transparent village government institutions and structures. This should include skills training and mentoring.
2. The implementation of provincial and district legislation on village governance should be accelerated.
3. The *Musrenbang* process can be strengthened and expanded with technical inputs and support from donors and by taking measures to ensure that grass-roots voices are heard and that decisions are conflict-sensitive.

### ***Macro level***

1. BRA together with BAPPENAS and BAPPEDA should develop a transition plan leading to the handover of conflict related programming to provincial line ministries and agencies, and its closure over the next two to four years with the following steps:

- a. Partnering with other government agencies, BAPPEDA and BRA should develop a framework and action plan for mainstreaming and implementing peace-building and conflict-sensitive programming throughout the provincial government.
  - b. An assessment to be undertaken on the implementation of Presidential Instruction No. 15, 2005 as the foundation national framework of the peace process. The results of this assessment will take in to account the fact that four years have passed since the promulgation of the Instruction and that the present day situation and needs have changed. Based on the results, new and concrete directions can be formulated to all relevant agencies and institutions to assume a more active role with clear responsibilities.
  - c. Establishing an interim coordinating body that is co-chaired by BRA and BAPPEDA and that engages the international community, relevant government agencies and Acehese civil society, and works to devise mechanisms for the transition of longer term peace-building programming and conflict-sensitive development to ministries and agencies.
  - d. Ensuring capacity and support for civil society to take up some of the 'soft' peace building activities such as advocacy, dialogues, and socialization that may not fall under government agency mandates.
2. In the long term, BAPPEDA can ensure that conflict sensitivity is mainstreamed in to government wide planning and programming, and that coordination between development stakeholders is effective with support from BAPPENAS. Setting up a consultative body such as conflict-sensitive desk or section in the provincial and district BAPPEDA offices could be a way to achieve this.
  3. International support for the transition and long-term strategic planning in the form of technical assistance, research, assessment and policy advice is encouraged.

BRA together with BAPPENAS and BAPPEDA should develop a transition plan leading to the handover of conflict related programming to provincial line ministries and agencies, and its closure over the next two to four years.



*A former combatant who now runs a spare parts shop in Langsa.*

4. The capacity of the provincial-level committee developing a proposed plan for the allocation of special autonomy resources should be strengthened—emphasising conflict-sensitive development, and incorporating the conflict-intensity index as a guide for strategy and program development.
5. Continued consensus-building is needed among all parties involved in MoU and LoGA implementation. This includes simplifying and clarifying the various fora engaged in communication, coordination and planning.
6. Although TNI has a legitimate mandate based on the LoGA for maintaining, protecting and securing the unity and sovereignty of the Republic of Indonesia, this needs to be done in a way that rebuilds trust with Acehnese especially in former GAM strongholds and areas of high conflict. Moreover, the spirit of the MoU limiting their role to external defence rather than internal security should be pursued as far as possible. Ongoing professionalization should also be continued.
7. Police skills and capacities to investigate crimes and arrest culprits need to be further developed. Local police in Aceh need more personnel, improved investigative skills, and better training beyond community policing programs.

8. There is a need to improve security sector governance through strengthened oversight mechanisms, support to provincial and district parliaments, NGOs, and accountability institutions such as ombudsmen.

9. While improvements have been made, there is still a need to increase government transparency and oversight. This includes assisting anti-corruption NGOs at the provincial and local levels, and reform and capacity-building of the legal system. More stringent procedures for contractors engaging in government infrastructure projects are necessary to ensure quality of work and transparency.

10. The research, development and analysis capacity of provincial and district governments needs to be bolstered, to help ensure that development planning is based on accurate data.
11. International support for the peace process remains vital, but should shift from direct implementation to support for government and civil society-led initiatives within a comprehensive framework. International experience and expertise in developing and implementing strategies for conflict-sensitive service delivery and program design should form the basis of international capacity and institutional development support.

International support for the peace process remains vital, but should shift from direct implementation to support for government and civil society-led initiatives within a comprehensive framework.

# Glossary of Terms and Acronyms

ABAS	( <i>Aceh Barat Selatan</i> ) Southwest Aceh—the movement to form a new province comprised of six west coast districts of Aceh
ACARP	Aceh Community Assistance Research Project
Aceh Green	The Green Economic Development and Investment Strategy for Aceh Province
ACMU	Aceh Conflict Monitoring Updates (now called APMU, formerly published by World Bank)
<i>Adat</i>	Social custom or tradition, customary law
ADB	Asian Development Bank
ADG	( <i>Alokasi Dana Gampong</i> ) Village Administration Block Grant
ALA	Aceh Leuser Antara, the movement to form a new province in five central highland districts, a south-western district and a city.
ALGAP	Aceh Local Governance Program (European Union-GTZ)
AMM	Aceh Monitoring Mission (peace mission, supported by EC and ASEAN)
APMU	Aceh Peace Monitoring Updates (formerly ACMU, published by CPCRS)
APRC	Aceh Peace Resource Center
ARF	Aceh Recovery Framework
ARLS	Aceh Reintegration and Livelihoods Surveys
ARTI	Aceh Research Training Institute
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
Bapel BRA	( <i>Badan Pelaksana BRA</i> ) BRA Executive Board
BAPPEDA	( <i>Badan Perencanaan Pembangunan Daerah</i> ) Regional Development Planning Agency
BAPPENAS	( <i>Badan Perencanaan Pembangunan Nasional</i> ) National Development Planning Agency
<i>Bawas</i>	( <i>Badan Pengawas Reintegrasi-Damai Aceh</i> ) Aceh Peace-Reintegration Monitoring Council
BI	Bank Indonesia
<i>Binaan</i>	In this context, the re-education and reform by the government of former combatants who surrendered or were captured and renounced the GAM cause.
Biro PP	( <i>Biro Pemberdayaan Perempuan</i> ) Bureau for Women's Empowerment
BKPG	( <i>Bantuan Keuangan Peumakmue Gampong</i> ) Village Prosperity Assistance Grants
BKPMD	( <i>Badan Kordinasi Penanaman Modal Daerah</i> ) Aceh Provincial Investment Promotion Board
BKRA	( <i>Badan Kesenambungan Rekonstruksi Aceh</i> ) Aceh Reconstruction Continuity Board
BPS	( <i>Badan Pusat Statistik</i> ) Statistics Indonesia
BRA	( <i>Badan Reintegrasi-Damai Aceh</i> ) Aceh Peace-Reintegration Board
BRA-KDP	Program to channel BRA reintegration assistance to communities utilising existing KDP structures and procedures







BPR/S	( <i>Bank Perkreditan Rakyat/Shari'ah</i> ) Shari'ah Community Credit Bank
BQ	<i>Baitul Qiradh</i> Islamic Savings and Loan Co-operatives
<i>Brimob</i>	( <i>Brigade Mobile</i> ) Police Mobile Brigade
BRR	( <i>Badan Pelaksana Rehabilitasi dan Rekonstruksi Nanggroe Aceh Darussalam dan Nias</i> ) The Agency for the Rehabilitation and Reconstruction for the Region and Community of Aceh and Nias
<i>Bupati</i>	Head of District
<i>Camat</i>	Head of Sub-district
CARDI	Consortium for Assistance to Refugees and Displaced in Indonesia
CBO	Community-based organisation
CEWS-Aceh	Conflict Early Warning Systems-Aceh
CIDA	Canadian International Development Agency
CMT	Core Management Team (MSR)
CoHA	Cessation of Hostilities Framework Agreement
CoSA	Commission on Security Arrangements
CoSPA	Commission on Sustaining Peace in Aceh
CPCRS	Centre for Peace and Conflict Resolution Studies (at Syiah Kuala University)
CPHD	Centre for Policy and Human Development
CSO	Civil Society Organization
<i>Dana Otsus</i>	( <i>Dana Otonomi Khusus</i> ) Special Autonomy Fund
DAG	( <i>Dana Alokasi Gampong</i> ) Village block grants
DAK	( <i>Dana Alokasi Khusus</i> ) Earmarked grant
DAU	( <i>Dana Alokasi Umum</i> ) General Allocation Grants
DBH SDA	( <i>Dana Bagi Hasil Sumberdaya Alam</i> ) Natural Resource Revenue-Sharing
DDR	Disarmament, Demobilisation and Reintegration
<i>Decon</i>	Deconcentration Funds
<i>Depsos</i>	( <i>Departemen Sosial</i> ) Department of Social Affairs (national level)
<i>Desa</i>	Village
DFID	Department for International Development of the United Kingdom
<i>Dinas</i>	Regional Sectoral Line Ministry
<i>Dinsos</i>	( <i>Dinas Sosial</i> ) Provincial Department of Social Affairs
<i>Diyat</i>	Compensation to families of people killed during the conflict
EC	European Commission
ECLAC	Economic Commission of Latin America and the Caribbean
EU	European Union
FGD	Focus Group Discussions
FKK	( <i>Forum Komunikasi dan Koordinasi Damai Aceh</i> ) Aceh Peace Communication and Coordination Forum
<i>Forbes Damai</i>	( <i>Forum Bersama untuk Mendukung Perdamaian di Aceh</i> ) Joint Forum to Support Peace in Aceh

<i>FORKAB</i>	( <i>Forum Komunikasi Anak Bangsa</i> ) Communication Forum of Sons of the Nation, an organisation representing the interests of GAM combatants who surrendered to Indonesian forces during the conflict
<i>Forsikam</i>	( <i>Forum Silaturahmi dan Komunikasi Antarpeserta Pemilu</i> ) Forum for Good Relations and Communications Amongst Election Participants
GAM	( <i>Gerakan Aceh Merdeka</i> ) Free Aceh Movement
<i>Gampong</i>	Village (Acehnese)
GDCF	Gross Domestic Capital Formation
GDP	Gross Domestic Product
Gol	Government of Indonesia
Golkar	( <i>Golongan Karya</i> ) Political party of government established during New Order period
GPK	( <i>Gerombolan Pengacau Keamanan</i> ) Security Disturbance Gang, the former official government terminology for GAM
Hivos	The Humanist Institute for Development Cooperation
HH	Household(s)
ICAIOS	International Centre for Aceh and Indian Ocean Studies
ICRS	Information, Counselling and Referral Service (IOM)
IDDRS	Integrated Disarmament, Demobilization and Reintegration Standards
IDP	Internally Displaced Person
<i>Imam</i>	In Aceh, it refers to the prayer leader at a mosque, who is a respected member of the community
<i>Imeum Mukim</i>	Leader of a community encompassing a number of gampong having their own territory, property and wealth (Acehnese)
<i>INPRES</i>	( <i>Instruksi Presiden</i> ) Presidential Instruction
Interpeace	International Peacebuilding Alliance, formerly the UN-led War-Torn Societies Project
IOM	International Organization for Migration
IPI	Indonesian Peace Institute
IRE	Institute for Research and Empowerment
<i>Kabupaten</i>	District (regency)
KDP	Kecamatan Development Program
<i>Kecamatan</i>	Sub-District
<i>Kelurahan</i>	Urban Neighbourhood
<i>Kesbanglimas</i>	( <i>Kesatuan Kebangsaan dan Perlindungan Masyarakat</i> ) Office of National Unity and Community Protection
<i>Keuchik</i>	Village Head (Acehnese)
KKM	<i>Klinik Kemasan dan Merek</i> : The Packaging and Branding Clinic
Km	Kilometre
<i>Kota</i>	City/Municipality
KPA	( <i>Komite Peralihan Aceh</i> ): The Aceh Transitional Committee
KPK	( <i>Komisi Pemberantasan Korupsi</i> ) Commission for the Eradication of Corruption
LAKIP	( <i>Laporan Akuntabilitas Kinerja Instansi Pemerintah</i> ) Report on Accountability and Performance of Government Institutions



LITBANG	( <i>Penelitian dan Pengembangan</i> ) Research and Development Section of government agencies
LoGA	Law on the Governing of Aceh
LOGICA	Local Governance and Community Infrastructure for Aceh Project (AusAID)
M&E	Monitoring and Evaluation
MDF	Multi-Donor Fund
<i>Mesjid</i>	Mosque
<i>Meunasah</i>	Acehnese village multi-purpose community hall
MGKD	( <i>Makmu Gampong Kareuna Damé</i> ) 'Support to Conflict Affected Communities in Aceh Project' also known as the 'Village Prosperity Due to Peace Project' (CIDA/UNDP/IOM)
MoU	Memorandum of Understanding
MRT	MoU Round Table
MSR	Multi-Stakeholder Review of Post-Conflict Programming in Aceh
<i>Mukim</i>	A legal community of several gampong in Aceh possessing their own territory, property and wealth. (Acehnese)
<i>Musrenbang</i>	( <i>Musyawarah Perencanaan Pembangunan</i> ) National development planning system which utilizes a 'bottom-up' local participatory planning process of consultations from the village to national levels to determine development policies at every tier of government.
NAD	( <i>Nanggroe Aceh Darussalam</i> ) Province of Aceh (former formal name of the province)
New Order	The military-led government of ex-President Suharto, 1966-1998
NGO	Non-Governmental Organisation
NKRI	( <i>Negara Kesatuan Republik Indonesia</i> ) Unitary State of the Republic of Indonesia
OCHA	Office for the Coordinator of Humanitarian Affairs (UN)
PA	( <i>Partai Aceh</i> ) The GAM political party
PACTA	Peace Architecture and Conflict Transformation Alliance
PAD	( <i>Pendapatan Asli Daerah</i> ) Own-source revenue
PDI-P	( <i>Partai Demokrasi Indonesia Perjuangan</i> ) Indonesian Democratic Party of Struggle
PETA	( <i>Pembela Tanah Air</i> ) Defenders of the Homeland, an anti-separatist umbrella group
<i>Pilkada</i>	( <i>Pemilihan Kepala Daerah</i> ) Direct elections of heads of provincial and district/municipality governments
PNPM	( <i>Program Nasional Pemberdayaan Masyarakat</i> ) National Program for Community Empowerment
<i>Qanun</i>	Regional regulation (Arabic language term used only in Aceh)
<i>Qanun Jinayat</i>	Islamic criminal bylaw
<i>Renstra</i>	( <i>Rencana Strategis</i> ) strategic plan
Rp.	<i>Rupiah</i> (Indonesian currency)
<i>Sagoe</i>	Smallest territorial unit of the GAM/TNA command structure comprising several villages; roughly equivalent to a <i>Kecamatan</i>
SERASI	(Indonesian: 'Harmony') USAID-funded program to support the peace process in Aceh and other parts of Indonesia
SIRA	( <i>Suara Independen Rakyat Aceh</i> ) The Independent Voice of the Acehnese People, a political party established by former pro-referendum student groups





SSPDA	Strengthening Sustainable Peace and Development in Aceh (BAPPENAS, BRA, UNDP and EU-supported program)
<i>Shari'ah</i>	Islamic law
TA	Technical Assistance
<i>Teungku Imeum</i>	Imam of the village mosque (Acehnese)
TNA	( <i>Tentara Nasional Aceh</i> ) Acehnese National Army, the military wing of GAM
TNI	( <i>Tentara Nasional Indonesia</i> ) Indonesian National Armed Forces
TRC	Truth and Reconciliation Commission
<i>Tuhapeut</i>	Village council of elders
UMP	(Upah Minimum Propinsi) Provincial minimum wage
UNDP	United Nations Development Programme
UNORC	United Nations Office of the Recovery Coordinator for Aceh and Nias
USAID	United States Agency for International Development



# Definitions

**Conflict Sensitivity** A contextual understanding of the conflict topography unique to a given area and that is used to inform programs and project interventions. It is a term typically used in tandem with the principle of 'do no harm' meaning that the actions of actors providing assistance should not cause further damage to a community or society that has been ravaged by conflict (e.g. inadvertently creating new conflict pressures).

**Disarmament, Demobilisation and Reintegration (DDR)** The first step in the transition from war to peace. The immediate goal of DDR is the restoration of security and stability, through the disarmament of warring parties. Demobilisation of armed groups is another fundamental step in the improvement of security conditions at the end of an armed conflict. The final goal of DDR is the sustained social and economic reintegration of ex-combatants into a peaceful society.



**Livelihood Recovery** A process by which ex-combatants and other conflict-affected peoples learn marketable vocational skills and gain access to sustainable peacetime employment and/or income opportunities. In the context of DDR this term typically refers to ex-combatant groups but here it is expanded to include a broader class of vulnerable people who have been displaced or whose livelihoods have been negatively impacted by the conflict.

**Peace-Building** A relationship-building process within and between communities in which community members take a direct role in their post-conflict recovery. In many post-conflict contexts the objective of peace-building is to support the restoration of peace and social cohesion amongst communities by enhancing their security, dignity, equitable and sustainable development opportunities, and hope in a safe and prosperous future.

**Political Reintegration** The reintegration of ex-combatants into legitimate political processes of the state as equal citizens, which allows them to pursue their goals in a non-violent and democratic setting, thus addressing the political exclusion of groups/individuals that fought against or did not support the state.

**Post-Conflict** A general classification for a context where large-scale violent conflict has ceased but where peace may remain fragile.



# Multi-Stakeholder Review of Post-Conflict Programming in Aceh

Identifying the Foundations  
for Sustainable Peace  
and Development in Aceh





# KERTAS SUARA

PEMILIHAN  
GUBERNUR WAKIL GUBERNUR  
PROVINSI NANGGRUH ACIUDARUSALAM

1

2

3

4

5

6

# Introduction

The August 2005 Helsinki Memorandum of Understanding (MoU) between the Government of Indonesia (GoI) and the Free Aceh Movement (*Gerakan Aceh Merdeka*, GAM) formally brought an end to nearly 30 years of violent conflict in Aceh. Since then, a great deal has been achieved to lay the foundations for sustainable peace and development. Yet much effort is still required if the peace is to endure and bring prosperity and harmony to the province.



The Multi-Stakeholder Review of Post-Conflict Programming in Aceh (MSR) is a collaborative effort between Indonesian and Acehnese government agencies and international agencies. It provides an overview of current development and peace programs, summarises progress to date, and identifies gaps, constraints and opportunities to consolidate peaceful development in Aceh. This report presents a summary of the MSR's findings and recommendations, which provide a framework for future policies and programs. This chapter provides an introduction to the conflict, the recent peace process and the MSR.

## 1.1 War and Peace in Aceh

Aceh's latest period of conflict began in 1976 with the declaration by Hasan di Tiro, of a new movement for Acehnese independence. Whilst the causes of the GAM rebellion were manifold, the movement's main contention was that Jakarta had not meaningfully fulfilled its 1959 promise of 'special autonomy' for Aceh (itself made after seven years of armed struggle). Local resentment had mounted over a perception that, following the discovery of natural gas in the province in 1971, Jakarta was siphoning off Aceh's tremendous natural wealth with no apparent benefits for the Acehnese population.

The result was an intermittent twenty-nine-year rebellion and counter-insurgency, leaving almost 30,000 people dead,<sup>3</sup> and causing deprivation and suffering for the majority of the province's population. The conflict damaged and destroyed infrastructure and productive assets, disrupted economic activity, and bred rampant corruption and extortion. Despite the province's abundant natural wealth, the poverty level in Aceh is among the highest in Indonesia.

Over the years, numerous (failed) attempts were made to end the rebellion. The 2005 Helsinki negotiations owed their success to two factors. First, the December 2004 Indian Ocean tsunami inflicted heavy casualties on both GAM and Indonesian National Armed Forces (*Tentara Nasional Indonesia*, TNI), and established some common ground between the central government and GAM to spur on the behind-the-scenes negotiations that had been initiated a few months earlier. Both sides decided it was more important to assist the thousands of people suffering devastation and loss from the tsunami than to continue the conflict. The recovery effort also saw an influx of thousands of foreign and Indonesian relief workers, and an opening of the province to international scrutiny.



The second factor was a substantial shift in the approach taken by national leaders to resolving the enduring 'Aceh problem'. Newly elected Indonesian President, Susilo Bambang Yudhoyono, was determined to settle the bloody conflict through non-violent means, and, as an ex-army general, was able to persuade military leaders to support peace talks. Vice President Jusuf Kalla, a successful businessman, calculated the relative costs and benefits of continuing the war. His conclusion was obvious.

With this high-level support, Government of Indonesia negotiators were able to bring important new offers to the table, including: an amnesty to GAM fighters; the release of political prisoners and detainees; allowing Aceh-based political parties to contest elections; and proposals for a dramatic realignment of the economic relationship between Aceh and the central government, which would allow the province to rebuild its economy after almost thirty years of devastation and negative growth. On August 15<sup>th</sup> 2005, the Helsinki MoU was signed (Box 1.1). After considerable delay, Law No. 11/2006 on the Governing of Aceh (LoGA), based on the principles of the MoU, was passed by the national parliament one year later.

### Box 1.1: The Helsinki MoU

The Helsinki MoU between the Government of Indonesia and GAM sets out arrangements for the governance of Aceh, political participation, economic management, rule of law, practice of human rights, amnesty and reintegration into society of ex-combatants and political prisoners, security, the establishment of the Aceh Monitoring Mission (AMM), and dispute resolution.

Major breakthroughs in the MoU included a clear definition of Aceh's special autonomy within the unitary Indonesian Republic, to be elucidated in a new Law on the Governing of Aceh. The new law was to be based on the following principles: provincial and district government authority over all sectors of public affairs, excluding foreign affairs, external defence, national security, monetary and fiscal matters, justice and freedom of religion; and a stipulation that all decisions on domestic or international affairs related to Aceh undertaken by the national government or legislature would be made in consultation with and with the consent of the legislature of Aceh and the head of the Aceh administration.

The MoU allowed for the establishment and *political participation* of Aceh-based political parties, the right of the people of Aceh to nominate candidates for all elected offices, and the conduct of free and fair local elections within a specified timeline.

The *economy* section of the MoU stipulated that Aceh would retain 70 percent of revenue from all current and future hydrocarbon deposits and from other natural resources in the province and its territorial seas, and would enjoy direct and unhindered access to foreign countries, by sea and air.

The *rule of law* section stated that the appointment of the chiefs of police and prosecutors serving in the province shall be approved by the head of the Aceh administration, and that civilian crimes committed by military personnel in Aceh would be tried in civil courts in Aceh. The MoU further stipulated that both a *Human Rights Court and Commission for Truth and Reconciliation* would be established for Aceh, and that all participants in GAM activities would be granted amnesty within 15 days of the signing of the MoU.

The section on *reintegration into society* affirmed political, economic and social rights, including the right to participate in political processes of all persons who had been granted amnesty or released from prison or detention; and the right of persons who



had renounced their Indonesian citizenship during the conflict to regain it. It further committed the governments of Indonesia and Aceh to facilitating the reintegration into society of anyone who had participated in GAM activities, as well as civilians affected by conflict, through the establishment of a Reintegration Fund under the administration of the authorities of Aceh.

The section of *security arrangements* began with an unequivocal statement that all acts of violence will end at the signing of this MoU. The MoU further committed GAM to demobilising ‘all of its 3,000 military troops’ and decommissioning all arms, ammunition and explosives with the assistance of the AMM. The Government of Indonesia was to withdraw all elements of non-organic (non-local) military and police forces from Aceh, leaving organic police forces responsible for upholding internal law and order in Aceh and, in normal peacetime circumstances, only organic military forces present in Aceh to uphold external defence.<sup>4</sup>

Section Five mandated the establishment of the AMM by the European Union (EU) and the Association of Southeast Asian Nations (ASEAN) to oversee these commitments. The last brief section outlined dispute settlement mechanisms.

Four years after the signing of the Helsinki MoU, Aceh has managed to avoid a return to war. Given the extremely short duration of previous ‘solutions’ to this conflict, this is a remarkable achievement.

### Box 1.2: A History of Conflict

Historian Anthony Reid notes that since the first Dutch invasion of the independent sultanate of Aceh in 1873, peace has been the exception rather than the norm; Acehnese have spent 86 of the last 132 years in armed resistance against Jakarta. Casualties have been high. For example, the Dutch lost some 10,000 men to fighting and disease in a campaign to take the Aceh River valley in the 1870s, while reducing the Acehnese population of the area to about one-sixth of its pre-war total. Another 24,000 Acehnese and Gayo lost their lives during the period of 1898-1914. Between 1953 and 1962 the Darul Islam rebellion resulted in an unknown number of deaths in Aceh. Finally in the latest Aceh conflict from 1976 to 2005 almost 30,000 were killed and hundreds of thousands more were displaced by the conflict.<sup>5</sup>

Periods of peace have generally lasted only as long as the generation of leaders that negotiated the accords remain in power—if that long. Reid goes on to describe the ‘mechanics’ of this cycle of resistance, suppression and accommodation in the following terms:

Each past phase of violent conflict has been ended with some kind of solution to the ‘Aceh problem’. Usually that solution relied on a heavy element of force followed by accommodation with a particular elite group. Given the latent distrust in the population as a whole, that elite had to be trusted by Jakarta to mediate effectively, and to maintain its legitimacy to lead. The arrangements always broke down eventually, for reasons that necessarily differed in the details. In essence it might be said, however, that the elite being trusted to mediate for Aceh gradually lost legitimacy because of its compromises, its self-interest, or its growing inefficiency. With that a new challenge arose from within society, connected with the past motif of resistance, and offered the hope to restore pride, integrity and prosperity.<sup>6</sup>

This cycle of rebellion, accommodation, and eventual loss of leaders’ legitimacy, has inculcated a latent distrust in the Acehnese population, both of outside powers seeking



to subdue and dominate the region, and of local leaders who attempt to navigate the complex interstices between these ‘foreign powers’ and their Acehese constituents. The dynamic is further complicated by contestation between various elite groups over the exercise, and rewards, of local power.

Many historians and observers of Indonesian politics have written on the Dutch practice of indirect rule, and its parallels in the New Order government’s control of local political structures, processes and outcomes through a combination of patronage and co-optation of local elites.<sup>7</sup> As Aceh’s history as an Indonesian province will attest, the outcome has been depressingly predictable.

After the signing of the Helsinki MoU, the Aceh Monitoring Mission (AMM) remained in Aceh for 15 months, departing four days after the December 2006 elections. Upon its departure, the AMM made the rather bold assertion that ‘peace in Aceh has been re-established and the peace process has become irreversible and self-sustaining’.<sup>8</sup> Few would argue with the first clause. However, to call the peace process ‘irreversible’ flies in the face of more sober assessments, such as Reid’s admonition that ‘if either side of the agreement slips into complacency and assumes the problem is solved, conflict is likely to revive.’<sup>9</sup> (See Annex Four for a detailed analysis of the cyclic history of conflict in Aceh.)

Four years after the signing of the Helsinki MoU, Aceh has managed to avoid a return to war. Given the extremely short duration of previous ‘solutions’ to this conflict (Box 1.2), this is a remarkable achievement. Indonesia withdrew over 31,000 ‘non-organic’ (non-local) security force (TNI and Police Mobile Brigade—*Brimob*) personnel, granted amnesty to all those who had participated in GAM activities and released over 2,000 political prisoners; GAM surrendered 840 weapons and officially disbanded its fighting forces; and thousands of ex-combatants, ex-prisoners and displaced people returned to their communities.

The successful implementation of direct elections for the heads of provincial and local governments in December 2006 was a significant milestone on the road to recovery, with high levels of voter turnout. GAM candidates scored a resounding victory in the elections, claiming the governorship and over half of the district head and mayoral positions. In the April 2009 parliamentary elections, GAM’s main political vehicle, *Partai Aceh*, gained 33 out of 69 provincial parliament seats, far ahead of the second placed Democrat Party. Overwhelming support for the central government’s performance over the last five years was also shown in the July 2009 presidential elections where voter turn-out was higher than the national average, and 93 percent of Aceh’s voters supported the incumbent President.<sup>10</sup>

There are encouraging signs of economic recovery as well. Aceh’s economy grew feverishly following the 2004 tsunami because of massive infusions of recovery assistance and a reconstruction building boom. As construction has slowed, expansion of agricultural production has taken the lead in Aceh’s economic growth.

The disparity in poverty levels between conflict-affected and less affected districts is beginning to fade.<sup>11</sup> Major challenges remain, however, including structural deficiencies in Aceh’s economy, limited capacity of provincial and local government agencies, and the enduring impact of the conflict on the province’s productive sector.



The Aceh Governor, GAM Leader, Malik Mahmud and the Vice Governor at a ceremony in Banda Aceh.

Strong leadership on both the GAM and central government sides has been key for the peace agreement's success. Incidents have occurred, and issues arisen, that could have derailed the peace process, but both sides (and Aceh's people) have remained committed to peace. Although still a work-in-progress, Aceh has become a worthy regional model for a successful peace process. Leaders from other countries such as the Philippines, Thailand and Sri Lanka, who are dealing with their own internal conflicts and post-conflict recovery, have expressed interest in the process and have sought counsel from various stakeholders in Aceh to apply to their own challenges. Undoubtedly Indonesia's reputation in the international community has been enhanced by the resolution of the Aceh conflict.

The governments of Indonesia and Aceh have played the central role in designing, funding, and implementing a major program aimed at the social and economic reintegration of former combatants, amnestied political prisoners, conflict victims, and communities in Aceh. This has been spearheaded by the Aceh Peace-Reintegration Board (*Badan Reintegrasi-Damai Aceh*, or BRA).<sup>12</sup> This effort has been supported financially and logistically by the international community, including numerous programs focussing on improving governance and increasing local government capacity to plan and implement projects and deliver services.

While much has already been achieved in post-conflict recovery in Aceh, many challenges remain. Unequal distribution of both tsunami and post-conflict assistance has given rise to new tensions and grievances in some communities. Increasing criminality and reports of former combatants 'taxing' individuals and businesses also threaten to undermine peace and growth. Successfully addressing the economic, social and political needs of individuals and communities requires a variety of different approaches, because the conflict affected different regions and sectors of the community in diverse ways.

While much has already been achieved in post-conflict recovery in Aceh, many challenges remain.

The post-conflict reintegration and recovery process has been hampered by three interrelated factors. First, there has been a lack of clarity as to the overall aims of the post-conflict effort, leading to a narrow focus on economic integration, and on outputs rather than outcomes. Second, programs have placed too much emphasis on an individual, compensation-based approach, rather than on broader-based economic and regional development. And, third, reintegration assistance has been undertaken in isolation from other programs and strategies promoting sustainable development and growth in Aceh. Collectively, this has contributed to the endurance of conflict-era identities, to an 'entitlement mentality', and to popular expectations that cannot be met through the current approach to recovery.

## 1.2 The Multi-Stakeholder Review of Post-Conflict Programming in Aceh

The MSR provides a framework for future policies and programs to consolidate peace and spur development in Aceh. To date, there has been little consensus among stakeholders over program impacts, remaining needs and priorities, and the best ways to meet these. The MSR aims to provide an empirical base to help develop such consensus.

It builds on recent efforts by BRA and its partners to better coordinate and plan post-conflict reintegration programming, based on a shared understanding and strategic vision. It does so by engaging a wide range of government and international stakeholders in identifying what has been done in support of post-conflict recovery, the impacts of these interventions, and the remaining needs and priorities of conflict-affected individuals and communities.



Villagers working on a new dam in Pidie.

The MSR has the following objectives:

1. To assess the current needs of former combatants and conflict-affected people and communities three years on from the Helsinki MoU.
2. To analyse the impacts of reintegration and post-conflict recovery programs on conflict-affected individuals and communities.
3. To provide an analytical basis informing the development of effective programs, policies and strategies to help consolidate peace in Aceh.
4. To build the BRA's capacity to design, monitor and evaluate programs (Box 1.3).

### 1.3 Structure of the Report

The report proceeds as follows:

**Chapter Two** provides an overview of the *MSR's analytical framework and methodology*.

**Chapter Three** gives an overview of the *demographics of conflict-affected groups*, including their characteristics, estimates of their total numbers, and some discussion of the conflict's impact on particular sub-populations.

#### Box 1.3: BRA Capacity Development

An important objective of the MSR was to develop BRA's capacity to design, monitor and evaluate programs. An assessment of BRA needs and subsequent intensive capacity-development provided support to the BRA's Monitoring Council (*Badan Pengawas*, or *Bawas*) over a two-month period. This included a 21-day staff training plus on-the-job mentorship, supported by UNDP, IOM and USAID-SERASI. Staff from the Aceh Peace Resource Center (APRC) and the BRA Executive Body also participated in the trainings.

Outputs of the BRA capacity-development component included:

1. Production of a comprehensive design, monitoring and evaluation manual in English and Indonesian (Annex Nine);
2. Refinement of strategic objectives and indicators for the BRA Executive Board's (*Badan Pelaksana*, or *Bapel*) housing, *diyat* (compensation for family members of people killed in the conflict), scholarship and economic empowerment programs;
3. Development of a monitoring form to be used by the *Bawas* for 2008 programs; and,
4. Preparation of a log frame, work plan and budget for the APRC Commission on Sustaining Peace in Aceh (CoSPA).

BRA's final evaluation report for 2008 prepared by *Bawas* showed vast improvement over previous efforts, including extensive use of concrete and measurable performance indicators.



**Chapter Four** follows with an assessment of the total **cost of the conflict**, focusing on damage to productive infrastructure and assets and related losses; damage and destruction of housing and productive infrastructure; damage to social infrastructure and assets (i.e., schools, health services, places of worship); and damage to local government buildings and facilities.

**Chapter Five** presents a **stock-take of reintegration and peace-building assistance** to date, including both government and international agency support and programs, and identifies outstanding unmet needs. This is followed by an estimation of current funding needs to renovate or replace these structures and assets and to support reconstruction and rehabilitation efforts in conflict-affected communities.

**Chapter Six** examines **livelihoods and economic issues** relating to peace consolidation. It begins with a discussion of assistance provided to various conflict-affected groups and its impact on their economic recovery in the post-conflict period; it outlines the current situation of affected groups (in terms of employment, income and asset recovery); and it then provides an overview of Aceh's economy, examining poverty and growth trends in the post-conflict era, employment and the job market, and the investment climate.

**Chapter Seven** examines the important **socio-political factors** relating to the consolidation of peace. It starts with an overview of conflict and violence in Aceh since the signing of the MoU in 2005, followed by an assessment of the reintegration of ex-combatants, amnestied prisoners and returnees into communities. The focus then turns to issues of social cohesion, engagement and participation at the community level. The discussion shifts to broader issues that may affect the peace process. This includes elections and electoral politics, residual organisational structures and culture from the insurgency, break-away movements within the province, and unresolved tensions over the wording and implementation of the 2006 LoGA.

**Chapter Eight** looks at **institutions** at the provincial and local levels, as well as the national institutional structures put in place to manage the reintegration and peace-building processes. The chapter includes consideration of post-MoU revenue streams, and looks at measures underway to manage the sharp increase in government budgets. The roles of both international agencies and Acehese leaders and institutions in the reintegration and peace-building processes are also discussed.

**Chapter Nine** provides a **summary of the MSR's findings and conclusions**, and provides a set of **recommendations** for addressing outstanding needs and strengthening and deepening the peace-building process in Aceh.



*Diverse Aceh leaders release doves of peace on the third anniversary of the MoU.*





# 2

## Analysing Post-Conflict Aceh

Aceh's transition to sustainable peace and development requires a broad range of interventions to address economic, socio-political and institutional issues and needs. These evolve over time and differ between regions.

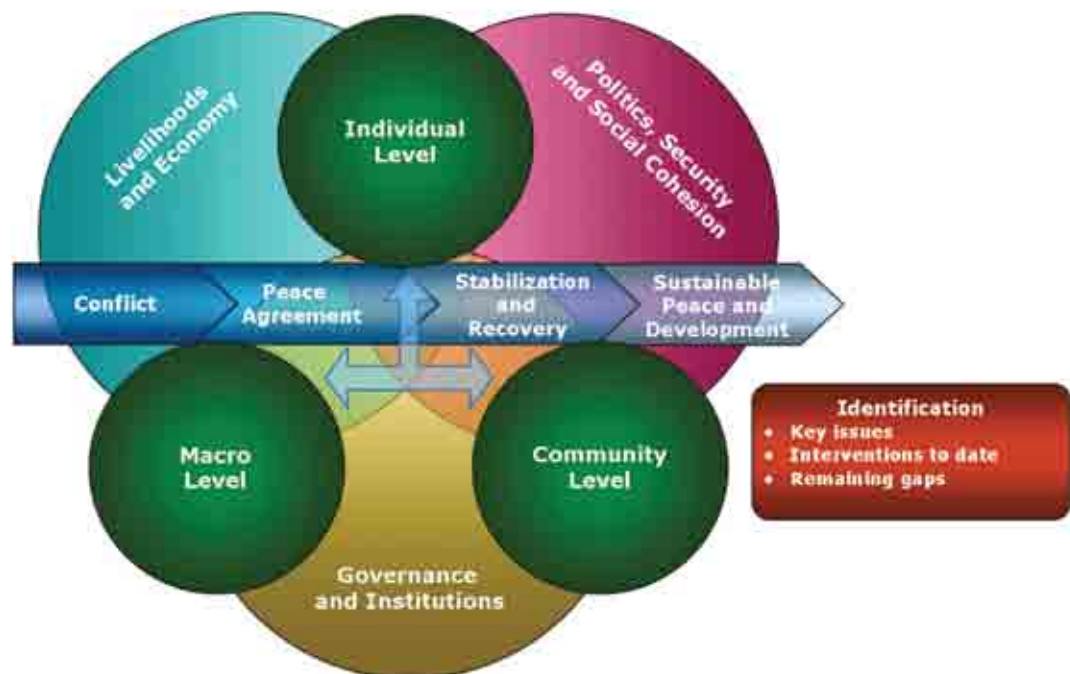
Designing strategies to consolidate peace in Aceh and support social and economic development requires a detailed understanding of the complex post-conflict landscape in the province. The MSR employs a comprehensive framework to identify post-conflict needs and issues in Aceh and the ways to address these (Figure 2.1).

### 2.1 The MSR Analytical Framework



To better understand post-conflict needs in Aceh, the MSR examines Aceh at the individual, community and macro levels. At each level, there is a focus on: livelihoods and economic issues; politics, security and social cohesion; and governance and institutions. The MSR assesses how interventions undertaken since the Helsinki MoU have impacted on conflict-affected individuals, groups, communities, structures and institutions, and draws conclusions regarding unmet needs and ways to address these.

Figure 2.1: The MSR Analytical Framework



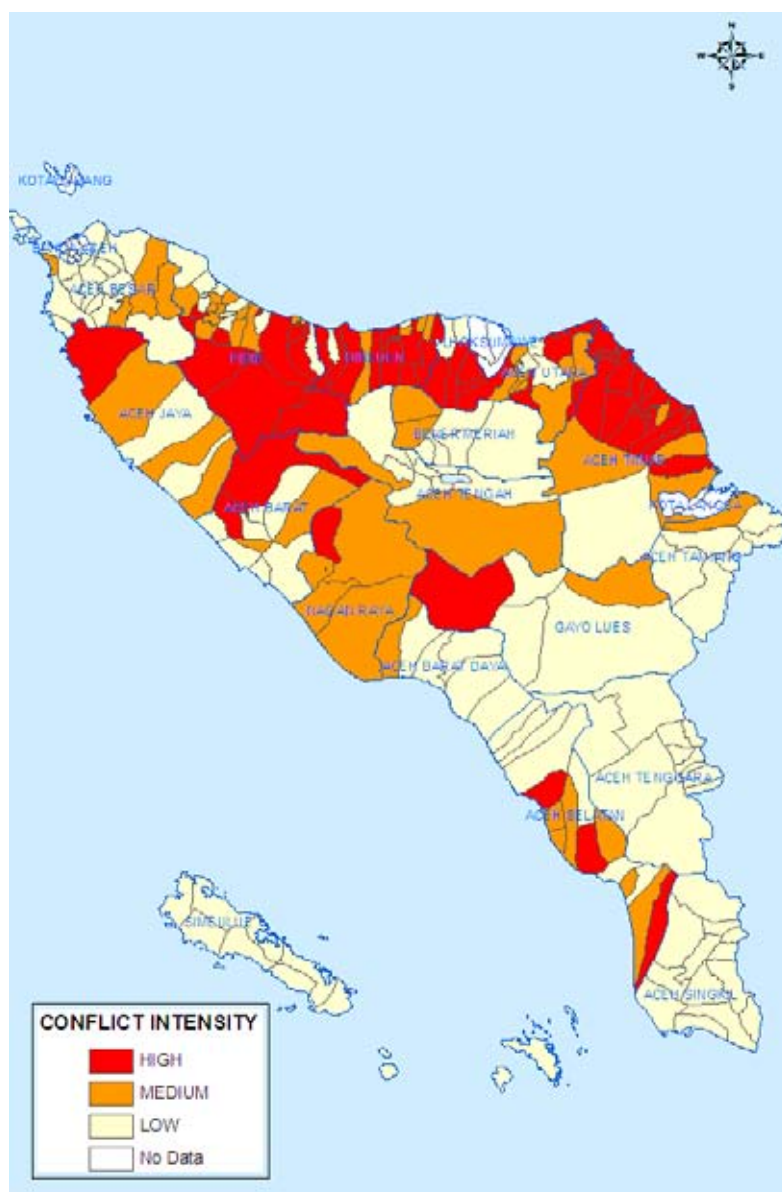


### Individual Level

The MSR examines the ongoing needs of conflict-affected individuals and households. Those affected by the conflict include ex-combatants, conflict victims, and those who were displaced (some of whom have returned home). Detailed information on the current situation of these groups of individuals is provided in Chapter Three.

The MSR assesses these groups' levels of welfare, social cohesion, and political participation, and identifies the ways in which reintegration and post-conflict programs have (or have not) impacted on their economic and social recovery. Differences between men and women are considered as are other within-group differences. The MSR examines the effectiveness of individually-targeted reintegration assistance. The analysis also considers which groups pose a risk to the peace process, identifies those that should be targeted for further assistance and the best ways of designing programs to this end.

### Map 2.1: High, Medium and Low Conflict Intensity Sub-Districts in Aceh



Source: Conflict and Development Program 2006



## Community Level

The MSR also focuses on community-level needs and opportunities for using development programming to overcome these.

The conflict had a major impact on the economy in Aceh's communities. The infrastructure and facilities, assets, and social and political structures of communities suffered great damage, particularly in high conflict regions. Within Aceh, there is large variation in the ways in which the conflict impacted on local life with some areas affected more than others (see Map 2.1). The MSR provides detailed information on the economic impacts of the conflict on communities, and mechanisms for addressing these.

The conflict also impacted on social life in villages. It sowed divisions between different groups, impacted on trust, and limited opportunities for collective action. The return of former combatants, and those who were displaced during the conflict, has the potential to cause tensions. The MSR analysis looks at current levels of trust, social cohesion and social capital, and evaluates the degree of acceptance of returnees and ex-fighters. This includes an appraisal of existing and potential sources of division within communities.

Numerous studies have noted that social capital is relatively strong in Acehese society.<sup>13</sup>

Assistance programs can reinforce existing social capital. If not properly administered, however, assistance can also divide communities. The analysis identifies ways in which programs can build upon existing social capital to further strengthen social cohesion.

The conflict also impacted on social life in villages. It sowed divisions between different groups, impacted on trust, and limited opportunities for collective action.

Community-level institutions were also affected by the conflict as well as broader changes across Indonesia. Customary structures and functions of village governance, already weakened by the New Order government's standardisation of village government throughout the country during the late 1970s, 1980s and 1990s, were further undermined by years of conflict.



*Villagers rehabilitating their own irrigation channel in Pidie as part of a community project.*

During the conflict, the *Keuchik* (Village Head) was often suspected by one or both sides of collaborating with the enemy, and held responsible for the actions (or inactions) of community members. Many were unable to remain in their villages, forced to seek refuge in towns or sub-district capitals.<sup>14</sup> The MSR analysis provides a detailed understanding of the strengths and weaknesses of community institutions and ways to build them to promote peaceful development.

## Macro Level

At the macro (provincial and national) level, the MSR examines economic, social and political and institutional factors affecting the prospects for sustainable peace and economic growth and development. The economic analysis focuses on two factors. First, it examines the ways in which the conflict, and related damage and loss, has hindered investment and private sector development in the province, also looking at poverty, employment, credit and savings, and economic growth.

Second, the analysis explores the consequences of ongoing changes to Aceh's economic structure, including the phasing out of tsunami reconstruction programs, the decline in oil and gas production, and the substantial amount of new government resources allocated at the provincial and district levels.

Social factors in the province, such as intra-community relationships and potential sources of conflict, and perceptions of security and trust in government, are also examined. Considerations of safety and security determine the degree to which individuals, private sector companies, and government agencies will commit to investing in Aceh's natural and human resources.

All facets of Aceh's recovery are deeply intertwined; broad-based economic growth, employment generation and poverty reduction are essential to sustain and strengthen the peace. These in turn depend on increased internal and external investment, which hinge on perceptions of security and safety. All of these affect, and are affected by, communities' trust that their government is acting in their interests, in an equitable and transparent manner.

The analysis of political and institutional factors includes a review of conflict and violence in the province since the end of fighting in 2005, and an assessment of residual and emerging sources of tension relating to the implementation of the peace accords. The study examines the institutions and mechanisms through which governments in Aceh and Jakarta address and resolve political disputes and promote peace-building and the degree to which these engage the population at large, with particular emphasis on the quality and effectiveness of governance in Aceh. The capacity of provincial and local governments to utilise their vastly expanded resources to deliver programs and services efficiently and equitably will be crucial to the success of the peace process over the medium to long term.

## 2.2 Methodology and Data Sources

The MSR draws from a range of data sources, incorporating perceptions and perspectives from a variety of stakeholders. Several components provided the primary data used in this analysis, supplemented by a review of a range of secondary sources, including planning and strategy documents and reports from MSR Steering Committee organisations, and government data and reports. The major components of the MSR study, undertaken throughout 2008, include quantitative, qualitative and historical data:

### Quantitative Data

- The *Aceh Reintegration and Livelihoods Survey (ARLS)*, commissioned by the World Bank, provides the primary quantitative data source used throughout the report (see Box 2.1 and Annex One);



- A conflict damage and loss assessment, was supported by the World Bank. It uses data collected in 2006 on every rural village in Aceh,<sup>15</sup> along with other secondary data sources, to estimate the impacts of the conflict. The data is primarily used in Chapters Four and Five (Annex Two);
- A stock-take of reintegration and post-conflict programming was conducted with support from the World Bank, National Development Planning Agency (BAPPENAS), BRA-APRC, USAID-SERASI and UNORC. It provides detailed information on projects that have conceivably had a peace-building impact, allowing for an assessment of the degree to which conflict damage and losses have been met (Chapter Five and Annex Three);
- Data on conflict incidents since the MoU is from the *Aceh Conflict Monitoring Updates*, prepared by the World Bank, and (more recently) the *Aceh Peace Monitoring Updates*, prepared by Syiah Kuala University. This data is primarily used in Chapter Seven.

### Qualitative Data

- Fieldwork on communities' perceptions of the peace process, was supported by AusAID and the World Bank (Annex Five), and fieldwork on women and the peace process was implemented by Aceh Institute with the support of USAID-SERASI (Annex Six). Data from these studies is used to investigate the processes of reintegration and post-conflict development, the needs of particularly vulnerable groups, and emerging issues. This data is used throughout the MSR report.
- A survey of community, government, business and NGO leaders' perceptions of the peace process was supported by the World Bank. In all, 121 people were interviewed with findings being used throughout the report (Annex Seven).
- A review of how the DDR process in Aceh fits with international norms and practice was undertaken by UNDP and IOM.

### Historical Data

- Finally, a historical analysis of conflict in Aceh was commissioned by AusAID and helps put the most recent conflict and peace process in historical perspective (Annex Four).

The MSR also draws extensively on other research and strategy documents. These include: the Aceh Public Expenditure Analysis, Growth Diagnostic, Poverty Assessment and GAM Reintegration Needs Assessment prepared by the World Bank<sup>16</sup>; BRA's Strategy and Comprehensive Action Plan<sup>17</sup>; BAPPENAS and UNDP's Strengthening Sustainable Peace and Development in Aceh (SSPDA) Mid-Term Evaluation of Peace and Reintegration<sup>18</sup>; and the Meta-Analysis and Psychosocial Needs Assessment undertaken by IOM.<sup>19</sup> Other academic papers and project documents were also consulted and are cited through the report.





### Box 2.1: ARLS Survey Data

The **Aceh Reintegration and Livelihood Surveys (ARLS)** collected individual, household and village-level survey data on a range of demographic, social, political, and economic factors. It was originally designed to collect data for an evaluation of the BRA-KDP (Kecamatan Development Program) program and on livelihoods and reintegration of former members of Acehese National Army, the military wing of GAM (*Tentara Nasional Aceh*, TNA). It gathered a wide range of data on demographic and welfare indicators, behaviours, attitudes, acceptance, and social cohesion, which the MSR drew from. The ARLS was fielded in 754 randomly sampled villages out of a total of approximately 6,400 villages covering every sub-district in Aceh, between July and September 2008. This report utilises three surveys from the ARLS.

The **Ex-TNA Survey** is a household survey of an Aceh-wide representative sample of 1,075 former TNA ex-combatants. A former combatant was defined as anyone between the ages of 18-65 who fought with TNA or was in the command structure for at least one month since 1998. In sampled villages, a full list of ex-TNA was enumerated and 60 percent were randomly sampled to be respondents. In a small number of locations the survey could not be completed due to insecurity. Results are representative of all former GAM combatants across Aceh.

The **Civilian Household Survey** contains individual and household level data from a representative sample of 1,794 civilian male respondents between the ages of 18 and 65 from throughout Aceh and 1,241 civilian female respondents (also 18-65) from a more geographically limited area not representative of all Aceh. The male sample is representative of all of Aceh, while the female sample is drawn from only 67 BRA-KDP and 68 'control' sub-districts, and is therefore not representative of all Aceh. In both the Ex-TNA and Civilian Household Survey, demographic, employment and conflict exposure information was collected on each member of the respondents' 1998 and 2008 households.

The **Village Head Survey** was conducted in each of the 754 villages where ARLS was implemented to collect village-level data on economic development, public goods provision, and conflict history.

Tables and figures using ARLS data note the statistical significance of findings. Significance shows the extent to which we can be confident that reported differences (e.g. between men and women or between combatants and non-combatants) are a result of differences across the whole relevant populations, rather than being a result of the size of the sample being interviewed. Ninety-nine percent significance means we are 99% confident; 95% that we are 95% confident; etc. Tables and figures also note the sample size (n), the number of people who responded to that question during the surveys.

For further details on the ARLS methodology see Annex One.









3

# 3

## The Conflict-Affected

The Helsinki MoU committed the Government of Indonesia to support the reintegration of former combatants and political prisoners into society, to assist conflict-affected civilians, and to rehabilitate property damaged or destroyed in the conflict.<sup>20</sup> This chapter gives an overview of conflict-affected groups in Aceh and their current situation, demographics and needs, with some discussion of the conflict's impact on particular sub-populations.

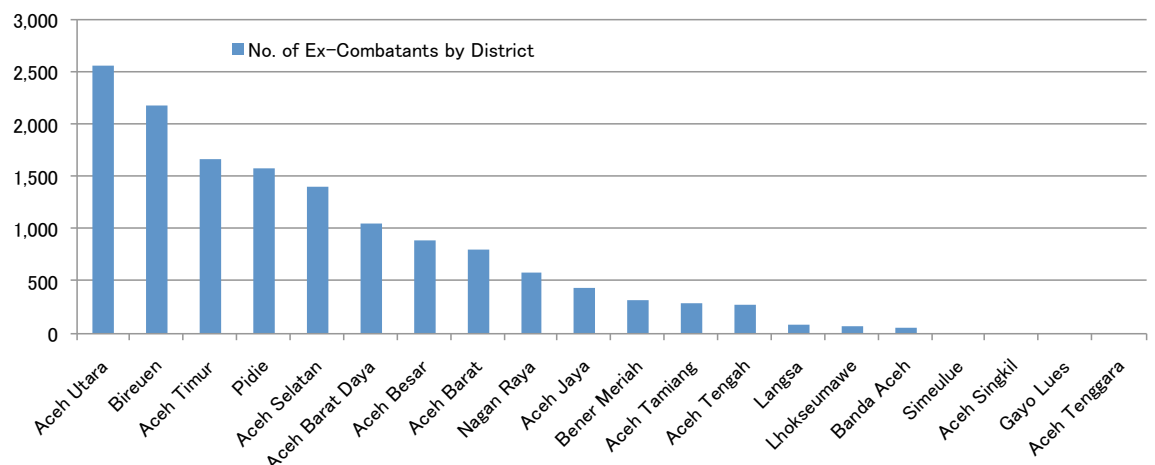
Subsequent chapters will give more information on these groups' levels of welfare, social cohesion, and political participation, and will identify the ways in which reintegration and post-conflict programs have (or have not) impacted on their economic and social recovery.

### 3.1 Former Combatants

The MSR estimates that there are around 14,300 former GAM combatants in Aceh, many more than the 3,000 claimed in the Helsinki MoU.<sup>21</sup> This 14,300 number includes any person who was a member of the TNA, the military wing of GAM (i.e. had been a commander or was in the military structure) for at least one month between 1998 and 2005.<sup>22</sup> Of these, less than 700, or less than 5 percent, are women.

The majority of former combatants (55 percent) can be found in the four most heavily conflict-affected districts of Aceh Utara, Bireuen, Aceh Timur and Pidie (Figure 3.1). In all, two-thirds of former combatants live in Aceh's east coast districts, with less than 5 percent living in the central highlands.<sup>23</sup>

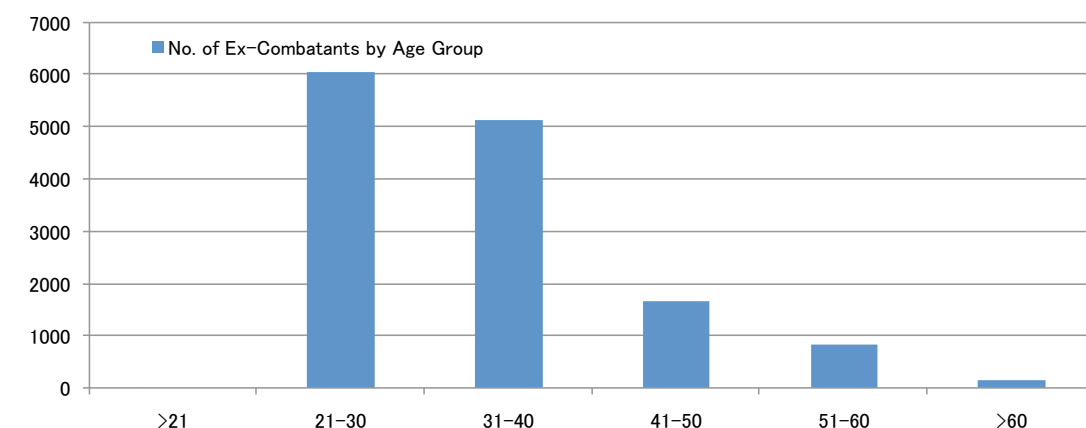
Figure 3.1: Ex-Combatants by District



Source: ARLS.

TNA combatants are much more likely to be ethnic Acehnese than non-Acehnese and are on average six years younger than the overall civilian population. The vast majority of former combatants are between the ages of 21 and 40 (Figure 3.2).

**Figure 3.2: Ex-Combatants by Age Group**



Source: ARLS.

Both male and female ex-combatants are more literate and have higher completion levels for primary and junior high school than non-combatants (Table 3.1). However, male ex-combatants are 17 percent less likely than non-combatants to have completed high school, indicating that although GAM apparently attracted more educated people, their schooling was often interrupted by involvement in the conflict. This lack of secondary and higher education may have implications for the future employment prospects of ex-TNA members, particularly in government service and managerial-level positions.

Both male and female ex-combatants are less likely to be married than civilians of the same age. The conflict disrupted the marriage prospects of a notable share of ex-TNA fighters. Somewhat surprisingly, given the assumption that widowhood was a reason for women joining the TNA, 12 percent fewer female ex-combatants are widowed than non-combatants. Ex-combatants (both male and female) were also more likely to have lost a family member in the conflict.<sup>24</sup>



**Table 3.1: Characteristics of Ex-TNA Combatants**

	Men		Comparing Male Ex- TNA to Civilians	Women†		Comparing Female Ex-TNA to Civilians
	Ex-TNA (n=1024)	Civilians+ (n=1794)		Ex-TNA (n=29)	Civilians+ (n=1,237)	
Profile						
Age (mean)	35	40	-6 ***	32	37	-5 ***
Acehnese (%)	94	70	24 ***	93	75	18 ***
Literate (%)	96	91	5 **	97	85	12
Married (%)	71	76	-5	55	65	-10
Widowed (%)	1	1	0	3	16	-12 ***
Education Level (%)						
No formal education	15	17	-3	3	24	21 ***
Completed primary school	40	29	11 ***	31	30	1
Completed junior high school	29	20	9 ***	31	20	11
Senior high school or more	17	34	-17 ***	34	26	9
Health (%)						
Sick within past month	12	11	1	3	8	-5

† Not representative of all Aceh  
\*\*\* Significant at 99%; \*\* Significant at 95%; \* Significant at 90%.  
+In this and subsequent tables, the term 'civilians' refers to individuals who did not participate in the conflict as combatants.  
In fact, ex-TNA, PETA members, and amnestied political prisoners are all now 'civilians'.  
Source: ARLS.

† Not representative of all Aceh

\*\*\* Significant at 99%; \*\* Significant at 95%; \* Significant at 90%.

\*In this and subsequent tables, the term 'civilians' refers to individuals who did not participate in the conflict as combatants.

In fact, ex-TNA, PETA members, and amnestied political prisoners are all now 'civilians'.

Source: ARLS.

### 3.2 Other Conflict Actors

#### Surrendered GAM and PETA

In addition to the ‘regular’ ex-TNA combatants discussed above, there are two additional categories of former combatants. First, some 3,200 former TNA, who were re-educated by the Indonesian Government. Many of them are now members of an organisation called FORKAB (*Forum Komunikasi Anak Bangsa*, the Communication Forum for Sons of the Nation). FORKAB was formed to advocate for the rights of surrendered former GAM combatants, as these were excluded by KPA from the reintegration process. A second group is comprised of members of at least 19 pro-government organisations and village self-defence groups, generically known as PETA (*Pembela Tanah Air—Defenders of the Homeland*).<sup>25</sup>

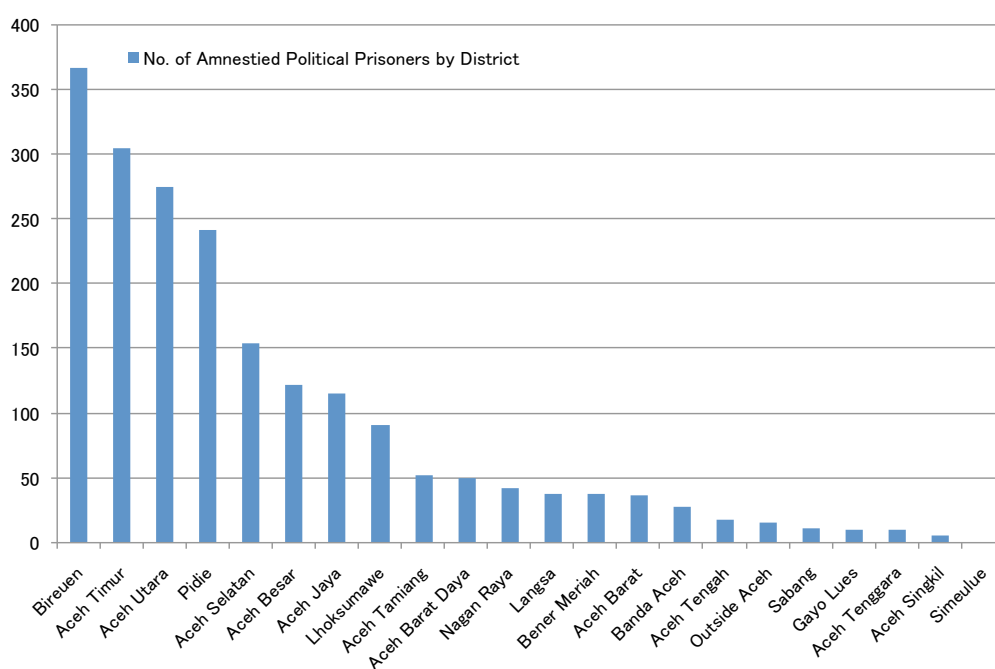
These groups actively opposed GAM and some were allegedly assisted by the TNI during the conflict. Many PETA members are non-Acehnese, from ethnic groups in the province’s mountainous interior regions or are Javanese migrants. Many in these groups feel threatened by what they perceive as Acehnese ‘colonisation’ of the province’s hinterlands, and represent a potential threat to peace in Aceh (see Box 7.9 below). As discussed in Chapter Six, members of both these groups have received individual assistance through BRA.<sup>26</sup>

#### Political Prisoners

Reintegration assistance for amnestied political prisoners was promised under the MoU. Almost all of the 2,035 prisoners who were released in August 2005 or shortly after have received reinsertion and reintegration packages from the government and IOM/Government of Japan. The Aceh Transitional Committee (*Komite Peralihan Aceh*, KPA), the organisation established by GAM post-MoU to assist the transition of its members back in to society, has argued that prisoners released earlier should also receive reintegration benefits, but to date very few have. GAM members arrested before the 2003 state of emergency tended to be charged with non-political crimes. KPA asserts that the majority of these were, in fact, political prisoners, and thus



**Figure 3.3: Location of Amnestied Political Prisoners**

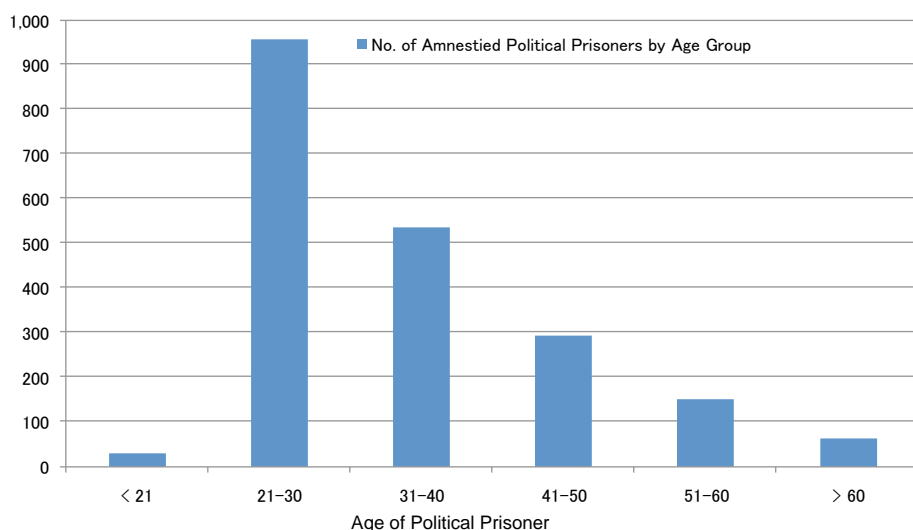


Source: IOM (2008).

should be entitled to the same reinsertion benefits as those granted amnesty in 2005. KPA leaders suggest that there are at least 10,000 people in this category, although this figure has not been verified.

As with ex-combatants, the majority of former political prisoners (60 percent) can be found in four heavily conflicted-affected districts: Bireuen, Aceh Timur, Aceh Utara and Pidie (Figure 3.3). While Aceh Utara has the highest number of ex-combatants, it ranks third in the number of amnestied prisoners.

**Figure 3.4: Amnestied Political Prisoners by Age Group**



Source: IOM (2008).

As with ex-combatants, the majority of former political prisoners (60 percent) can be found in four heavily conflicted-affected districts: Bireuen, Aceh Timur, Aceh Utara and Pidie.

On average, amnestied prisoners are slightly older (Figure 3.4), slightly more likely to be married (but less likely to be widowed), and have larger families, than the overall former combatant population. They are more likely to have completed primary school than other ex-combatants (who are more likely to have a primary school education than civilians), but are less likely to have higher education. Amnestied political prisoners are also more likely than other ex-combatants to have been wounded during the conflict, and to suffer from chronic diseases and psychological problems.<sup>27</sup>

### 3.3 Conflict Victims

#### Who are the Victims?

Establishing who is a victim of conflict in Aceh is difficult because of the multi-fold ways that the violence affected people. BRA defines conflict victims eligible for assistance as including the following: 'next-of-kin of those killed in conflict; persons who lost a parent or spouse; next-of-kin of the missing; those whose houses were burned, destroyed, or severely damaged; internally displaced; mentally ill due to conflict; and those physically ill due to conflict.'<sup>28</sup>

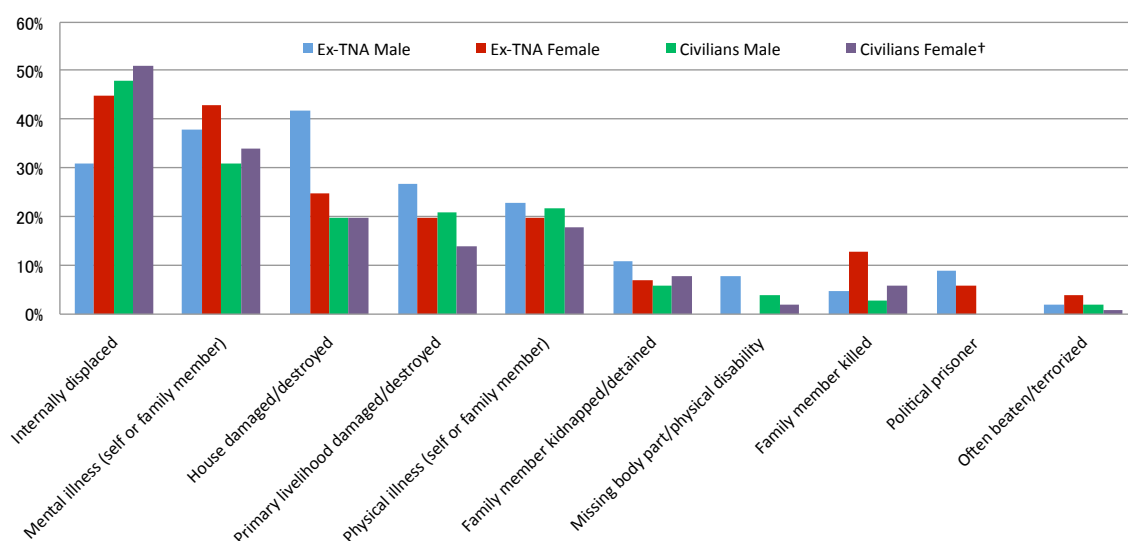
The BRA database lists 29,828 people—mostly widows—who are eligible for *diyat* (compensation to next of kin of people killed during the conflict), another 30,109 conflict orphans, and 14,932 people crippled by the conflict.<sup>29</sup>

In the ARLS, individuals, whether ex-TNA or civilian, are classified as conflict victims if they considered themselves to be so. The ARLS also gathered data on why individuals considered themselves victims. Victims could provide multiple reasons for victimhood, ranging from death of a family member to internal displacement to mental illness.

Nearly 50 percent of ARLS respondents identified themselves as victims. Adjusting for urban populations—where levels of conflict and victimhood were lower—this indicates that approximately 39 percent of people in Aceh consider themselves to be conflict victims—or more than 1.5 million people. A very high proportion (74 percent) of ex-TNA combatants consider themselves to be conflict victims, compared to 38 percent of the civilian population.

For civilians and female ex-combatants, internal displacement was the most prevalent form of victimhood; for ex-TNA males, destruction or damage to houses was most prevalent (Figure 3.5). Ex-combatants showed higher rates than civilians for most categories of victimhood, most notably damage or destruction of houses and primary sources of livelihood, physical disability or missing body parts and physical illness, while civilians suffered slightly higher rates of displacement.

**Figure 3.5: Types of Conflict Victim**



† Civilian women not representative of all Aceh. Categories are not mutually exclusive.  
Source: ARLS.

The experiences of these victims have left deep scars in the collective Acehese psyche. In the ARLS, mental illness was the second most common form of victimhood, with ex-TNA and former political prisoners suffering higher rates than civilians. Table 3.2, drawn from a 2006 psychosocial survey conducted in three heavily conflict-affected districts on Aceh's northern coast, provides a glimpse of the sorts of trauma experienced by both men and women throughout the conflict.

In the IOM survey, men reported higher levels of almost every form of victimhood than women; only 'other sexual assault', 'spouse killed, disappeared or kidnapped', 'child disappeared or kidnapped' and 'lack of shelter' show higher response levels for women. It is likely that incidents of rape were significantly under-reported, due to the shame and stigma attached.

In general, these figures tend to understate the degree of suffering experienced by women in Aceh throughout the conflict; focussing on specific incidents or events can neglect the impact of generalised terror and disruption that women experienced trying to manage households in a conflict environment.

In the ARLS, significantly higher numbers of victims reported that they had suffered illness in the past month than did non-victims. Six percent more female victims were widowed than non-victims. Although the survey did not ask how their husbands died, it is likely that many were targeted because their husbands had been GAM fighters.



**Table 3.2: Trauma Events Experienced by Gender**  
Aceh Utara, Pidie and Bireuen Districts

	% Male (n = 315)	% Female (n = 281)
Experienced combat (bombing, fire fights)	83	73
Forced to flee burning buildings	43	33
Forced to flee danger	52	42
Forced to hide	20	12
Beating to the body	56	20
Attacked by knife or gun	36	14
Tortured	25	11
Serious physical injury from combat	19	6
Witnessed physical punishment	61	45
Humiliated or shamed in public	22	11
Rape	1	1
Forced to rape a family member	1	0
Other sexual assault	3	4
Spouse killed	2	8
Spouse disappeared, kidnapped	2	3
Child killed	5	5
Child disappeared, kidnapped	2	4
Family member or friend killed	49	31
Family member or friend disappeared	36	30
Kidnapped	8	2
Captured, held by TNI/POLRI or GAM	19	5
Sent to prison	4	2
Forced separation from family	11	7
Forced isolation	10	4
Confiscation, destruction of property	49	40
Extortion, robbery	36	28
Forced labour	44	11
Forced to give food, shelter to TNI or GAM	29	25
Forced to fight against TNI or GAM	28	16
Punished for not fighting against TNI or GAM	17	5
Forced to search for corpses	15	8
Not allowed to provide Muslim burial	7	4
Forced to injure family member	10	2
Forced to injure non-family member	11	2
Forced to destroy someone's property	6	1
Forced to betray/endanger family member	10	3
Forced to betray/endanger non-family member	10	4
Someone forced to betray/endanger you	11	3
Forced to humiliate another person	11	5
Forced to search for family member in forest	46	24
Lack of shelter because of conflict	22	25
Lack of food, water because of conflict	86	77
Sick, lack of access to health care	64	55

Source: IOM/Harvard University (2006).



Ethnic Acehnese are more likely to be conflict victims than non-Acehnese. Victims are more likely to have a primary education than the broader population, but less likely to have secondary education, probably indicating that, like combatants, their studies were interrupted by the conflict (Table 3.3).

**Table 3.3: Characteristics of Civilian Conflict Victims**

	Civilian Men		Comparing Victims to Non- Victims	Civilian Women†		Comparing Victims to Non- Victims
	Victims (n=764)	Non- Victims (n=1,030)		Victims (n=474)	Non- Victims (n=763)	
Profile:						
Age (mean)	40	40	-8	37	37	0
Acehnese (%)	79	64	15***	82	71	11**
Literate (%)	94	88	5**	83	86	-3
Married (%)	79	74	5	65	65	0
Widowed (%)	1	1	0	19	14	6*
Education (%)						
No formal education	15	19	-4	29	21	7**
Completed primary school	33	26	8*	32	29	3
Completed junior high school	19	21	-2	19	21	-1
Senior high school or more	32	35	-3	20	29	-9***
Health (%)						
Sick within past month	14	9	5	12	6	6**

† Not representative of all Aceh

\*\*\* Significant at 99%; \*\* Significant at 95%; \* Significant at 90%.

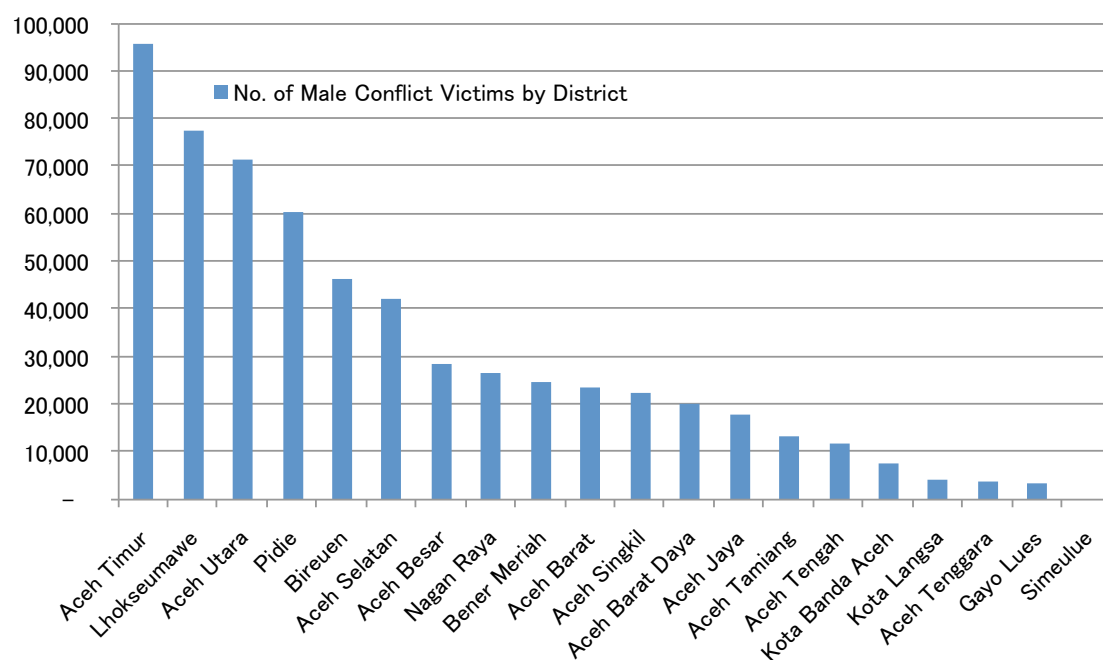
Source: ARLS.



### Where are the Victims?

The greatest concentrations of conflict victims are in the northern coastal districts, which experienced the highest levels of conflict intensity, along with the city of Lhokseumawe—where many probably sought refuge (Figure 3.6).

**Figure 3.6: Male Conflict Victims by District**



Source: ARLS.

### 3.4 Women and Conflict

Throughout the conflict, women in Aceh struggled to fulfil their roles as mothers and caretakers, income-earners, heads of household, or students. Many women also played a role in the conflict, including a small number of gun-carrying combatants, as well as thousands more in a variety of supporting positions (Box 3.1). In IOM's ICRS reintegration program for former combatants using a broad definition,<sup>30</sup> women comprised 27 percent of the beneficiaries but this was seen to be an 'over-representation' due to a concerted effort to target female combatants that had been largely overlooked by KPA leadership in the distribution of government funds.<sup>31</sup>

The estimation of 3,800 females active in the conflict is based on the broader definition than that used in the ARLS and is line with IOM definition.<sup>32</sup> Of these 3,800, the MSR estimates that only 680 were actually enlisted in the TNA command structure.

#### Box 3.1: Women as Combatants

Historically, women have played critical roles in conflicts in Aceh. As political leaders in the 17<sup>th</sup> century, with four successive sultanas, to the figure of warrior in the 19<sup>th</sup> century with the national heroine Cut Nyak Dhien (1850-1908), Acehnese women have a long tradition of defending the *nanggroe* (land and culture). Throughout the most recent conflict, women fulfilled a number of vital roles within the GAM movement and were often referred to as *Inong Balee*.

*Inong Balee* were traditionally defined as widows or women abandoned by their husbands. The term was first used to describe female combatants in the 17<sup>th</sup> century when the legendary Malahayati was appointed to lead a female coastal defence force tasked with defending the beaches of Banda Aceh and Aceh Besar. She built a string of forts manned by her female battalion, one of which was still intact before the tsunami. Later she was promoted to admiral in command of an armada that patrolled the Straits of Malacca where she sank six Portuguese galleons. The term was popularised again by GAM commander Tengku Abdullah Syafei in 1999.

Of the estimated 3,800 females formerly active in GAM in Aceh, probably only around 600-700 were 'front line' soldiers, with the remainder serving as informants and spies, trainers, safe-house managers, couriers, medics, cooks, logisticians, and a host of other supporting roles.<sup>33</sup> Most were motivated to join GAM by feelings of injustice due to acts of cruelty or humiliation at the hands of government forces, or to avenge the loss of loved ones.

*One day soldiers came to my house, they were yelling at me. My soul revolted... they should have been keeping things safe, not yelling at people, and from there I felt driven to maintain my dignity.*

– Female ex-combatant, Bener Meriah

*I was often asked by my father to join the struggle; my father and almost my entire family were GAM, so I began to support GAM and wanted to join Inong Balee.*

– Female ex-combatant, Pidie

Many underwent a month-long induction in military operations and intelligence gathering, combined with pro-independence ideology, international human rights and Islamic education. Following the training, as one young recruit explained,

Throughout the conflict, women in Aceh struggled to fulfil their roles as mothers and caretakers, income-earners, heads of household, or students.

*...we return to our villages, or start our university studies, but if our people need us, we are ready to defend them.*

- anonymous *Inong Balee* initiate, Aceh Besar <sup>34</sup>

Since the end of the fighting, a small number of female ex-combatants have joined KPA and *Partai Aceh*; some were recruited to stand as candidates in the 2009 provincial elections. Within these organisations, however, women have been accorded minimal decision-making authority. Others have become active in civil society organisations, working to improve the lives of other women. The majority, however, have resumed their roles as farmers, petty traders, labourers and mothers. The majority of them have also been welcomed back to their villages although in some pro-central government areas problems with reintegration remain.<sup>35</sup>

*Most residents hate (GAM), the majority of the community here do not like that I'm an Inong Balee. Maybe some do like it but they won't tell me to my face...*

- Female ex-combatant, Bener Meriah

During the conflict, many women found themselves restricted in their movements and unable to perform the most basic tasks. Women were often forced to take on the role of primary provider in their households, due to the death, disappearance, injury or long absences of their husbands. Some witnessed the murder of their husbands, others still do not know if their husband was killed, or where his remains are buried. While some have forgiven, others still harbour feelings of revenge.

*My son asked about his father once... [He] was very close to his father and knew that his father was killed by GAM. He once said, 'Wait 'til I grow up, I will avenge my father's death!' Brimob once wanted to give [him] a weapon, but I forbade it.*

- Conflict widow, Aceh Selatan

*Of course I still want revenge... Who wouldn't if their husband was murdered?*

- Conflict widow, Aceh Selatan

Sexual violence was also a tragic feature of the war (Box 3.2).

### Box 3.2: Sexual Violence

*It's not good to dig up the past and focus on rape cases, because talking about things like this is taboo.*

- Ulama, Pidie

It is difficult to produce an accurate account of the total incidence of rape or sexual violence during the conflict, with most cases going unrecorded due to shame and stigma.<sup>36</sup> Sexual violence and harassment were used as a tool to intimidate and terrorise the enemy, with wives and families of suspected guerrillas—also women suspected of having relationships with or supporting Indonesian troops—targeted. The following quotations, from the interviews of MSR researchers, offer testament to the suffering—and strength—of many of Aceh's women throughout the decades of conflict.

*They tortured me by dripping hot candle wax on my feet. Their [TNI] commander was always wearing shorts when I was at the guard post and he was watching*

*porn. They told me to watch for 15 minutes and then they started the interrogation.*  
– Wife of GAM combatant, Bireuen

*My head was beaten frequently, they gave me electric shocks to my ears, vagina, breasts, back, and feet, they pulled out my toenails... I was tortured and raped by two or three people... My head was smashed into the wall and I passed out. When I came to, I found myself naked, my body was sore, particularly my vagina... They became angry and cut off my nipple.*  
– Rape Victim, Pidie

Although thousands of women suffered violence, threats and humiliation, many demonstrated remarkable strength and resourcefulness in the face of danger.

*They told me to strip off, but I didn't, so they tied my hands and told me to lie down. I refused, and they dragged me and tried to force me to confess. Then they told me to lie down again, and I asked them why I had to lie down, were they going to rape me? I told them that I would rather die than let them rape me. Then they punched me and covered my head with a green plastic bag ... they stopped and let me go after a long time...*  
– Wife of GAM combatant, Bireuen

*...before going to the guard post I always put on yesterday's clothes, the stinky ones, and I never took a bath before going there, and I always chewed betel leaves so they wouldn't approach me...*  
– Wife of GAM combatant, Bireuen

Many victims of sexual violence are still traumatised by their experiences. Some have attempted to overcome their trauma through prayer, hard work, concentrating on their families, and sharing experiences with other victims.

*I'm happy that my neighbour always helps me, motivates me, tells me that Allah will certainly punish the perpetrators and forgive me.*  
– Victim of sexual violence, Pidie

Although most family and community members support the victims, many, including some clerics, are reluctant to talk about the issue; some even blame the victims for the violence and humiliation they have endured.

*...an Ulama said that it was consensual, that's why she got pregnant, if it were rape then she wouldn't get pregnant...*  
– Community member, Pidie

Sexual violence and harassment were used as a tool to intimidate and terrorise the enemy, with wives and families of suspected guerrillas—also women suspected of having relationships with or supporting Indonesian troops—often targeted.

Among women's leaders and non-governmental organisations (NGO) there is considerable disappointment with the lack of psychological support for female conflict victims. The provincial Bureau for Women's Empowerment (*Biro PP*) has established trauma counselling centres, but these are generally viewed to be ineffectual. Numerous women's NGOs have been quite active providing support to female conflict victims since the conflict ended and IOM have a program in Bireuen and Aceh Utara. However, the coverage of such support programs is usually quite limited.

The particular situation of conflict widows and female-headed households—particularly when combined with the limited mobility and employment opportunities for women in rural Aceh—

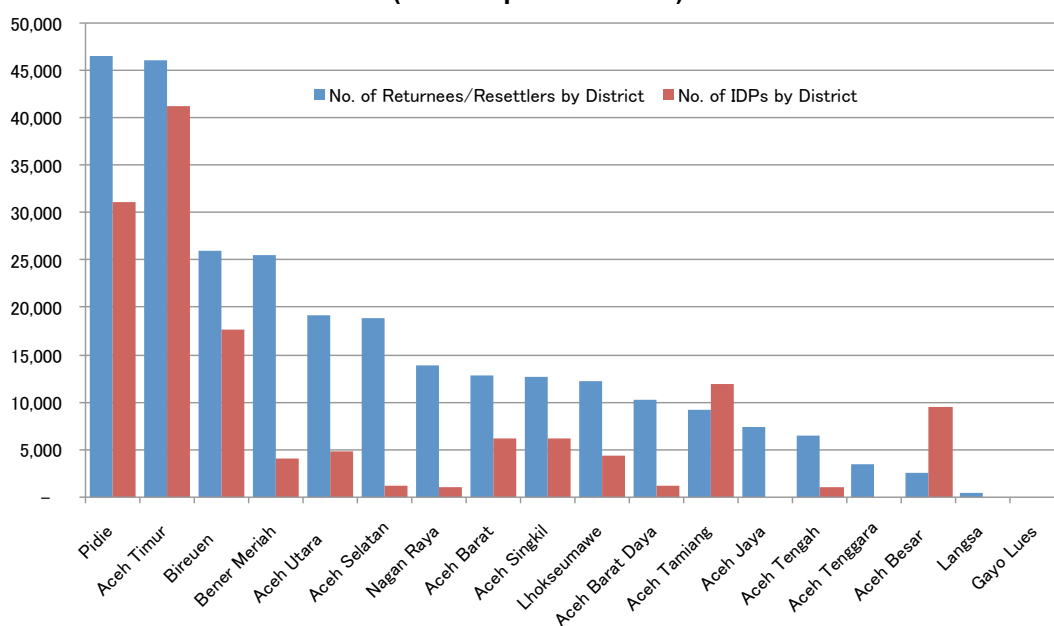
merits special attention. There is a specific need for livelihood and economic assistance programs targeting women in conflict-affected areas. Experience in both post-tsunami and post-conflict villages indicate that livelihood programs for women—including community-managed block grants and revolving credit schemes—have achieved relatively higher success rates than those targeting men.<sup>37</sup>

### 3.5 Displaced People

#### *How many are still displaced?*

Nearly 600,000 people are estimated to have been displaced by the conflict. As of September 2008, up to 150,000 people or 25 percent of these still considered themselves to be displaced within Aceh alone (i.e., not including those still living in other Indonesian provinces or in Malaysia). Over 100,000, or 70 percent of those still displaced in late 2008, are staying in the four heavily conflict-affected districts of Aceh Utara, Pidie, Aceh Timur and Bireuen. Large populations are also present in Aceh Besar and Aceh Tamiang as well—represented by the red bars in Figure 3.7.<sup>38</sup>

**Figure 3.7: Location of Conflict IDPs and Returnees/Resettlers (as of September 2008)**



Source: ARLS.

#### *How many former IDPs have returned or resettled?*

Over 450,000 people who fled their homes due to conflict had returned or resettled as of September 2008 and are no longer considered to be displaced. They are depicted by the blue bars in Figure 3.7. Those who have resettled have made a decision to live in a new location permanently with no intention to return to their place of origin. Over half of these people have returned to or resettled in Pidie, Aceh Timur, Bireuen and Bener Meriah. Aceh Utara and Aceh Selatan also have a high population of returnees/resettlers and five other districts have seen over 10,000 people return.



*Traditional crafts in Aceh have been revitalized through the cessation of conflict.*



### Who are these IDPs, Returnees and Resettlers?

The largest share of those who were displaced are ethnic Acehnese, although as a proportion of their province-wide ethnic population, other ethnic groups (especially Javanese) were disproportionately represented among the IDP population (Table 3.4). Javanese and other groups have also been slower to return. Returnees are predominantly Acehnese.

**Table 3.4: Ethnicity of IDPs, Returnees and Resettlers<sup>39</sup>**

Ethnicity	Percent of all IDPs
Aceh	40.9%
Java	39.9%
Gayo	13.1%
Kluet	1.8%
Batak	1.7%
Jame/Padang	1.0%
Sunda	0.5%
Tamiang	0.3%
Singkil	0.1%
Melayu	0.1%
Madura	0.1%
Others	0.6%

Source: IOM (2008).

A significant proportion (39 percent) of displaced people fled their communities after experiencing traumatic events such as having their houses burnt, being caught in a bombing or shot at, being tortured or detained or having property damaged or seized. Other common reasons for leaving included being robbed, extorted or physically beaten, not enough food and water or being unable to access medical services. The primary reasons returnees gave for returning were to rejoin family and community but perceptions of safety were also important.<sup>40</sup>

Javanese migrants often fled because of deprivation, indirect violence or rumours of violence in their own or nearby communities. Those returning or hoping to return at the time of the IOM survey cited economic opportunities as their primary reason, along with the improved security situation.<sup>41</sup>

Returnees often face difficult situations upon their return. For many, their property has been destroyed or seized; individuals who remained through the conflict often resent that the returnees might be prioritised for government or donor assistance over themselves. In addition, much of the violence that forced these individuals and families to flee was inter-village fighting, or involved local anti-separatist factions and/or violent gangs and criminal groups who may still be present in the area. Resettlers face the significant challenge of integrating into to a new community including access to or acquisition of land, finding employment and possible discrimination.



*Young boys working together in a trauma healing program for children in Aceh Selatan.*

Returnees often face difficult situations upon their return. For many, their property has been destroyed or seized; individuals who remained through the conflict often resent that the returnees might be prioritised for government or donor assistance over themselves.





# 4

## The Cost of Conflict

The conflict in Aceh exacted a massive toll. The MSR estimates in monetary terms that the conflict cost Rp. 107.4 trillion (US\$ 10.7 billion). In August 2008, Aceh's Governor Irwandi Yusuf told reporters that the province's reintegration needs surely exceeded present funding commitments.

Governor Irwandi stated that an accurate assessment of those needs had not yet been undertaken and suggested that an independent agency should do so.<sup>42</sup> While it is exceptionally difficult to quantify reintegration needs (how much, for example, does a former combatant 'need' in order to fully reintegrate into civilian life), it is possible to assess at a macro level the conflict's economic impact.

Based on extensive data gathered one year after the cessation of fighting, this chapter assesses the hugely debilitating effects of the violence on Aceh's infrastructure and economy, as well on the national economy, over 29 years of conflict from 1976 until 2005. The analysis provides basic cost information and suggestions regarding areas of the economy that may need particular attention.

The chapter begins with a brief explanation of key concepts and the methodology employed for calculating the cost of conflict. It then describes overall damage and loss, followed by an analysis of the impacts by sector and region. The chapter concludes with an estimation of the cost of repairing and replacing damaged infrastructure and of compensating for losses incurred. The findings are used in the following chapter as a baseline against which the level of resources provided to date can be assessed.

Key findings include:

- The cost of the conflict is estimated to be Rp. 107.4 trillion (US\$ 10.7 billion). This is almost twice the financial cost of the tsunami.
- Economic losses from the conflict are eight times the value of direct damages incurred from the conflict.
- Although the provincial economy was hardest hit, the central government also suffered substantial losses due to the conflict.
- Over half the rural infrastructure in Aceh was damaged directly or indirectly to some degree as a result of the conflict.
- The productive sector bore well over half the cost of conflict. Agriculture and enterprises were particularly affected, heavily impacting the livelihoods of rural communities.
- Over 4,000 schools (two-thirds of the total in Aceh) were damaged by the conflict. 33,000 houses that were completely destroyed were yet to be replaced as of 2006. Another 77,000 houses sustained heavy or moderate damage. Over 7,700 km of road and almost 2,200 bridges were also damaged.



- The northeast districts of Aceh Utara, Aceh Timur, Pidie and Bireuen sustained the greatest impacts. Aceh Selatan, Bener Meriah, Aceh Besar and Aceh Tengah were also heavily affected.
- Damage to district roads, livestock, and rice and other fields is common across Aceh. However, particular types of infrastructure were more damaged in some districts, underscoring the need for district-specific approaches to help communities rebuild and resume productivity.
- Recoverable loss is mainly in the productive sector, highlighting the need for further attention by government and donors in this sector. Sunk costs that cannot be recovered and need not be considered a target of assistance make up Rp. 46.1 trillion (US\$ 4.6 billion) or 43 percent of the cost of conflict.

#### 4.1 Determining the Cost of Conflict

To estimate the cost of conflict, the MSR employed the methodology of the Economic Commission of Latin America and the Caribbean (ECLAC) Handbook for Estimating the Socio-Economic and Environmental Effects of Disasters as a framework for classifying and quantifying damages and losses (Box 4.1).<sup>43</sup> While this methodology is usually used to assess the costs of natural disasters, the MSR adapted it to analyse post-conflict conditions in Aceh. For a detailed description of the methodology used to calculate damage and loss caused by the conflict, see Annex Two.

##### Box 4.1: Definitions of Conflict Damage and Loss

**Damage** is defined as the costs related to the total or partial destruction of physical assets that can be attributed to the conflict. Damage due to conflict can be direct, for example, destruction of assets, such as the burning of houses or schools, damage to roads from tanks, killing of livestock, destruction of bridges or razing of crop fields. It can also be indirect, for example damage caused by neglect or lack of maintenance because of the conflict. This includes houses abandoned as communities seek safety, irrigation or other infrastructure rendered non-functional due to the impossibility of undertaking routine maintenance, and groves overgrown or unproductive because their owners were unable to tend them for reasons of personal safety.

**Losses** involve missed economic opportunities or extra costs incurred due to conflict. Losses include missed production or sales due to the damage of productive assets such as rice fields, irrigation systems, shops, and workshops. It also includes losses in revenues from uncollected taxes and state utility bills. Extra costs from the conflict come from resettling displaced families, and mobilisation of extra security personnel and government assets to maintain security.

Over half the rural infrastructure in Aceh was damaged directly or indirectly to some degree as a result of the conflict.

#### Calculating Conflict Damage

The MSR uses the 2006 KDP Village Survey as a starting point for the assessment of damages.<sup>44</sup> The survey was carried out in almost every rural village in the province (5,698 in total) in August and September 2006. Forms were filled in by local facilitators for each village, recording levels of damage (undamaged, light damage, heavy damage, in need of replacement, and abandoned/derelict) for each type of infrastructure. The primary cause of damage (conflict, natural disaster, or lack of maintenance) was recorded for each infrastructure type. The survey also recorded any conflict-damaged infrastructure that had already been repaired or rebuilt at that time.

Damage from lack of maintenance caused by conflict was calculated by comparing levels of

damage due to lack of maintenance in low and high conflict intensity areas. Damage from lack of maintenance was found to be correspondingly higher in high conflict intensity areas, indicating that much of this type of damage was due to the conflict. The proportion of damage from lack of maintenance that could be attributed to the conflict was then calculated per district, using the BRA's Conflict Intensity Index.<sup>45</sup>

Other sources of data on conflict damage were also used to fill in gaps in the KDP survey information. These include data from BRA on housing, from the Association of Indonesian Water Companies (*Perpamsi*) on the water supply infrastructure, from the Department of Social Affairs (*Depsos*) for costs related to IDPs, and from the provincial Ministry of Livestock Services (*Dinas Peternakan*) and Statistics Indonesia (BPS) for estimates of livestock killed during the conflict.

Damage data gathered from the above sources was measured in physical units and valued at repair or replacement cost. While the KDP Village Survey was undertaken in 2006 and is the main source of data, other damage sources date from as early as 2001, for example for livestock.

Chapter Five examines what proportion of this damage was addressed both before and after the time of the Village Survey in 2006, until late 2008. To assess the current value of damage, inflation is added to the value of damages for the period between 2006 and 2008 to provide a current repair or replacement cost in Rupiah. The total is then converted into US Dollars at the rate of Rp. 10,000 = US\$ 1. Estimates of replacement costs not available from the Village Survey came from the Agency for the Rehabilitation and Reconstruction for the Region and Community of Aceh and Nias (BRR), the Ministry of Social Affairs and other government agencies.

Damages presented here are mostly those that were still unaddressed as of late 2006. However, in the more than two years since that time, some assets have been repaired or replaced through mainstream government development programs, but this data has not been captured in the MSR.

### Calculating Conflict Loss

Losses due to conflict were estimated through several steps. First, the MSR developed a list of the number of conflict deaths per year from 1977 to 2005<sup>46</sup> based on BRA data, and then used this list as a proxy for annual conflict intensity. Following this, using public data sources, 17 indicators of loss were established, such as uncollected taxes, extra security costs, loss of income from damaged fields, and costs of maintaining barracks for IDPs.

The value of loss for each indicator was determined in a sample year with the most reliable data for that indicator. The value of loss over the 29-year conflict period for each indicator was then estimated by extrapolation using the annual conflict intensity measure.<sup>47</sup> The team then estimated total economic loss from the 29-year period of conflict by adding together loss for all 17 indicators. Inflation was added to bring the Rupiah figure in line with 2008 prices and then the total was converted into US Dollars.

### What is not Included?

The MSR's estimations of the cost of conflict are conservative. There are many other losses that were not captured by these 17 indicators. The analysis does not include outcomes from the conflict that clearly constitute damages or losses but for which there is insufficient data to make an informed estimate. The study focuses primarily on the costs to the rural communities that comprise the majority of Aceh's population, and who suffered the greatest damage and privation during the conflict.

The study does not include damage to government buildings or facilities above the village level, and damage and loss in only some urban areas. There is no attempt made to calculate the cost





or loss from illegal taxes and levies such as *pajak nanggroe*, protection rackets and road taxes,<sup>48</sup> or theft of assets such as vehicles and agricultural equipment. Also not included are losses due to interrupted supply and marketing chains and their cumulative impact on productivity, foregone business and investment opportunities, increased transportation costs or lack of transport, or ceased production from abandoned but undamaged assets such as rubber plantations. Some losses in the social sector are not included, such as loss from interrupted or terminated education, suppression of civil society, and relocation for IDPs that stayed with relatives or in rented accommodations. Loss of income due to conflict-caused untimely death is also not included.

Beyond the economic cost of conflict, the humanitarian cost in terms of suffering, fatigue, grief and fear incurred by all conflict-affected people must also be acknowledged. Map 4.1 shows the number of conflict deaths per district, providing an indication of the scope and magnitude of this suffering.

Although the results of the MSR damage and loss assessment are not complete, they do provide some indication of the cost of helping conflict-affected communities to resume productive and peaceful lives.

**Map 4.1: Conflict Deaths by District**



Source: BRA (2009).

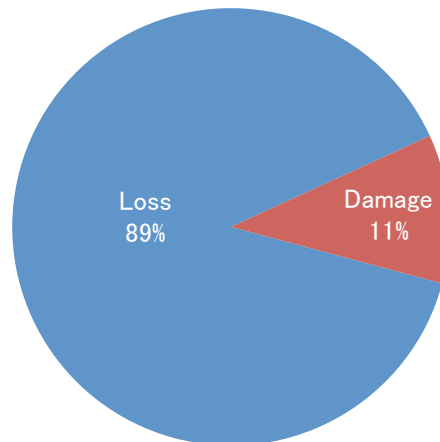
Beyond the economic cost of conflict, the humanitarian cost in terms of suffering, fatigue, grief and fear incurred by all conflict-affected people must also be acknowledged.

## 4.2 Breaking Down the Costs of the Conflict

The cost of the conflict in 2008 figures is estimated to be Rp. 107.4 trillion (US\$ 10.7 billion). This is almost twice the financial cost of the tsunami, which in 2008 figures was Rp. 60.9 trillion (US\$ 6.1 billion).<sup>49</sup> The higher economic impacts of the conflict is due to the fact that it lasted over a 29-year period, while the tsunami was an almost instantaneous event, albeit with long-term repercussions.

As shown in Figure 4.1, loss from the conflict (Rp. 95.6 trillion or US\$ 9.6 billion) was eight times greater than damage (Rp. 11.8 trillion, US\$ 1.2 billion). This is because losses from ceased economic or other activity continue to accumulate from the moment damage is incurred until such time that the damage is repaired. Often, damaged infrastructure or other assets were not repaired and thus losses accumulated over many years of the 29-year conflict period. From 1999 to 2004 total loss alone amounted to 7.4 percent of provincial GDP.

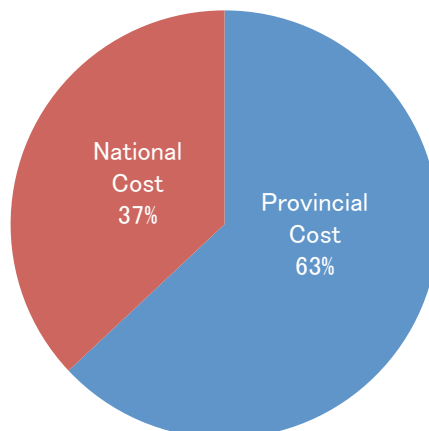
**Figure 4.1: Cost of Conflict by Damage and Loss**



Source: Cost of Conflict in Aceh, MSR.

The provincial economy bore the financial brunt of the conflict with damages and loss valued Rp. 65.5 trillion (US\$ 6.5 billion) incurred. The cost of conflict to the national government was Rp. 41.9 trillion (US\$ 4.2 billion), from the cost of troop deployment, loss of non-oil and gas exports, and assistance to IDPs from the national budget (Figure 4.2).

**Figure 4.2: Division of Cost between Provincial and National**



Source: Cost of Conflict in Aceh, MSR.

In Aceh, over half of all rural infrastructure in nine categories was damaged directly or indirectly to some degree as a result of the conflict: transport, bridges, water and sanitation, electricity, irrigation, village facilities, economic facilities, housing and productive land.

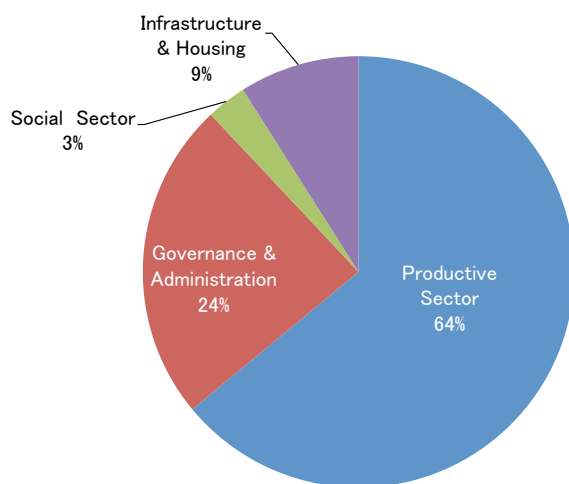
The productive sector accounts for 64 percent of costs. The next most affected sectors were governance and administration (24 percent of total damage and losses), housing and infrastructure (nine percent), and the social sector (three percent) (Figure 4.3 and Table 4.1).

**Table 4.1: Total Cost of Conflict by Sector**

Sector	Damage (Billion Rp.)	Loss (Billion Rp.)	Cost of Conflict (Billion Rp.)
Productive Sector	3,323	65,612	68,934
Governance & Administration	237	25,450	25,687
Social Sector	1,497	1,699	3,178
Housing & Infrastructure	6,762	2,872	9,634
<b>Total</b>	<b>11,801</b>	<b>95,633</b>	<b>107,434</b>

Source: Cost of Conflict in Aceh, MSR.

**Figure 4.3: Sectoral Proportions of Conflict Costs**



Source: Cost of Conflict in Aceh, MSR.



### 4.3 Sectoral Breakdown of Cost

#### Productive Sector

Within the productive sector, the costs of conflict were almost equally severe for agriculture and livestock (42 percent of total productive sector costs), and enterprise (39 percent)—Table 4.2 and Figure 4.4. Impacts on agriculture and livestock damage includes the damage or destruction of 31 percent (96,000 hectares) of rice fields, 49 percent (278,000 hectares) of other cropland, and over 200,000 head of livestock (cattle and buffalo) which were killed or lost during the conflict (Figure 4.5).

In the enterprise sub-sector, nearly 1,500 rice mills and other processing plants or factories were rendered inoperable; over 6,000 shops, stores and food stalls and over 1,400 village markets

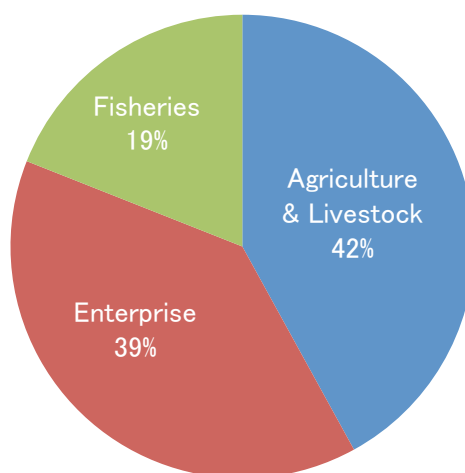
(from a total of 2,300) were damaged or destroyed. In fisheries, more than 60 percent of fish and shrimp ponds, jetties and fish landing and auction facilities were damaged.

**Table 4.2: Productive Sector Cost of Conflict**

Sector/Sub-Sector	Damage (Billion Rp.)	Loss (Billion Rp.)	Cost of Conflict (Billion Rp.)
<b>Productive Sector</b>	<b>3,323</b>	<b>65,612</b>	<b>68,934</b>
Agriculture & Livestock	2,327	26,570	28,897
Enterprise	642	26,595	27,236
Fisheries	354	12,447	12,802

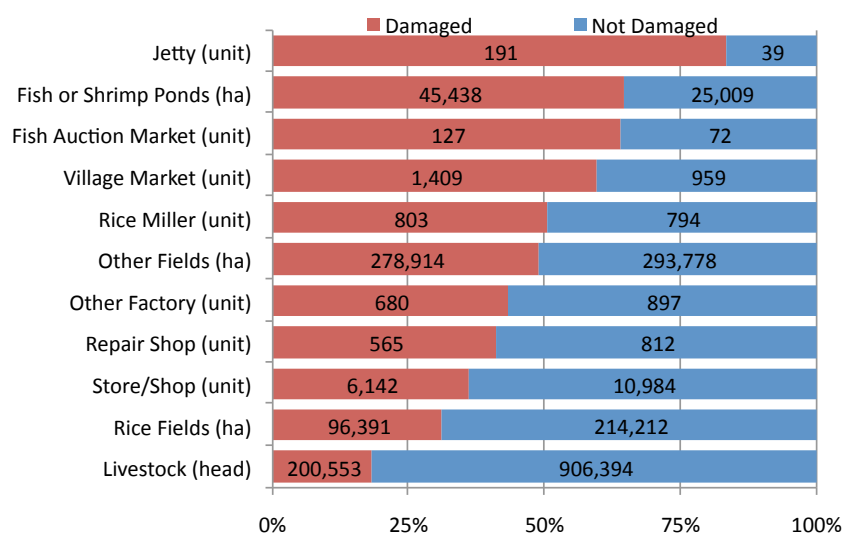
Source: Cost of Conflict in Aceh, MSR.

**Figure 4.4: Productive Sector Cost of Conflict**



Source: Cost of Conflict in Aceh, MSR.

**Figure 4.5: Level of Damage to the Productive Sector**



Source: Cost of Conflict in Aceh, MSR.

## Governance and Administration

Damage and loss in the governance and administration sector amounts to Rp. 25.7 trillion (US\$ 2.6 billion) or 24 percent of the total cost of the conflict. Eighty-eight percent of the damages and losses in this sector (Rp. 22.5 trillion, US\$ 2.3 billion) are for the cost of maintaining security during the conflict—Figure 4.6. At its peak, this cost was reported to be Rp. 8.5 billion (US\$ 850,000) per day.<sup>50</sup> Moreover, lost revenues cost the government Rp. 2.9 trillion (US\$ 292.7 million) in the form of uncollected taxes due to poor security conditions and loss of market levies due to market closures (Table 4.3).

The vast majority of village halls and offices were damaged (Figure 4.7). Damage to village government facilities, such as meeting halls and offices, valued at Rp. 237.1 billion (US\$ 23.7 million), accounts for just one percent of total damage and loss in the governance sector. A primary reason this sector did not contribute more to total damages is because the level of village government infrastructure in many of Aceh's rural areas is so minimal. Although loss from village governments' inability to perform their tasks during the conflict years was recognised, it was deemed to be unquantifiable. District and provincial government facilities also sustained damage during the conflict but the necessary data could not be captured for this study.

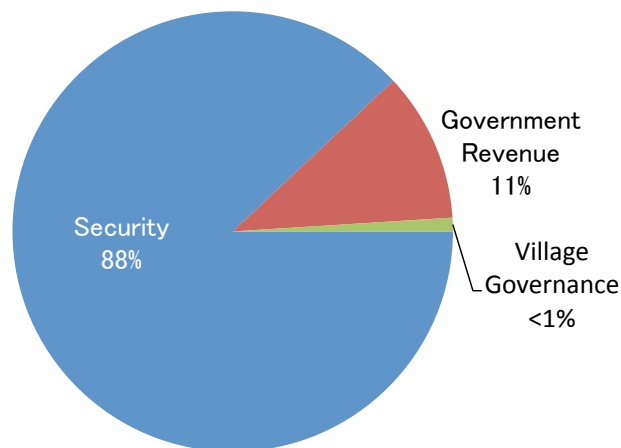
**Table 4.3: Governance and Administration Sector Cost of Conflict**

Sector/Sub-Sector	Damage (Billion Rp.)	Loss (Billion Rp.)	Cost of Conflict (Billion Rp.)
<b>Governance and Administration Sector</b>	<b>237</b>	<b>25,450</b>	<b>25,687</b>
Security	0	22,523	22,523
Government Revenue	0	2,927	2,927
Village Government Facilities	237	-	237

Source: Cost of Conflict in Aceh, MSR.

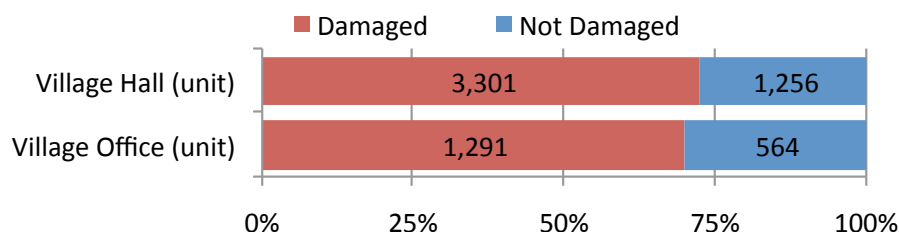


**Figure 4.6: Governance and Administration Sector Cost of Conflict**



Source: Cost of Conflict in Aceh, MSR.

**Figure 4.7: Level of Damage for Village Government Facilities**



Source: Cost of Conflict in Aceh, MSR.

### Housing and Infrastructure

Of the total cost of the conflict, approximately nine percent was in the housing and infrastructure sector. Of this, housing suffered the greatest damage and loss, accounting for Rp. 6.7 trillion (US\$ 668.3 million)—Table 4.4 and Figure 4.8. Of the approximately 165,000 houses damaged in the conflict, just over 38,000 were destroyed or abandoned, over 50,000 more received heavy, and over 76,000 were lightly damaged (Figure 4.9). This represents around 35 percent of houses in rural Aceh. Approximately 33,000 destroyed houses were still not replaced as of 2006. This is close to BRA's own original assessments indicating that over 29,000 houses were destroyed as a result of the conflict and still not replaced, not including houses of transmigrants for which assistance is being provided by the Department of Manpower and Transmigration.

Over 7,700 km of road and almost 2,200 bridges were also damaged. Loss figures for housing include the cost of relocating 18,905 households that were displaced by the conflict and the cost of building and maintaining temporary barracks for 9,401 households.

Damage and loss to the transportation infrastructure accounts for Rp. 2.1 trillion (US\$ 207.3 million). Damage was most extensive to roads, comprised of district roads, village access roads, hamlet access roads, neighbourhood roads, and bridges. Although damaged roads and bridges—particularly district and village access roads—cause major losses by impacting on productivity and access to markets thereby hindering economic recovery in rural areas, loss stemming from this damage is extremely difficult to calculate and hence is not included. Similarly, although damage to irrigation and drainage canals hampers economic recovery in rural areas it was also deemed unquantifiable.

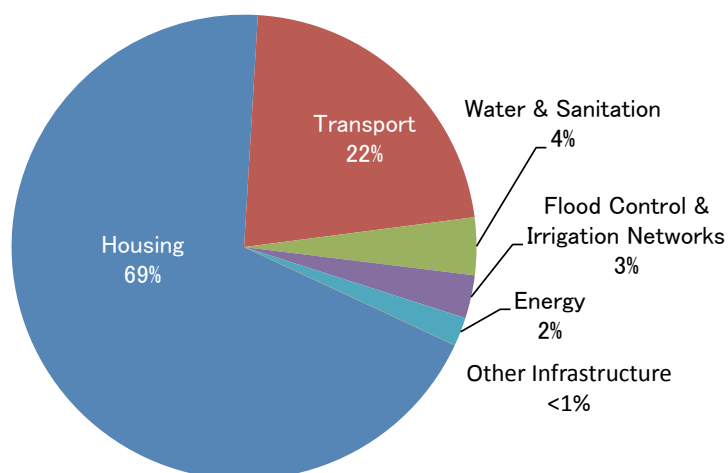
**Table 4.4: Housing and Infrastructure Sector Cost of Conflict**

Sector/Sub-Sector	Damage (Billion Rp.)	Loss (Billion Rp.)	Cost of Conflict (Billion Rp.)
<b>Housing &amp; Infrastructure</b>	<b>6,762</b>	<b>2,872</b>	<b>9,634</b>
Housing	3,983	2,700	6,683
Transport	2,073	0	2,073
Water & Sanitation	380	7	387
Flood Control & Irrigation Networks	274	0	274
Energy	35	166	201
Other Infrastructure	17	0	17

Source: Cost of Conflict in Aceh, MSR.

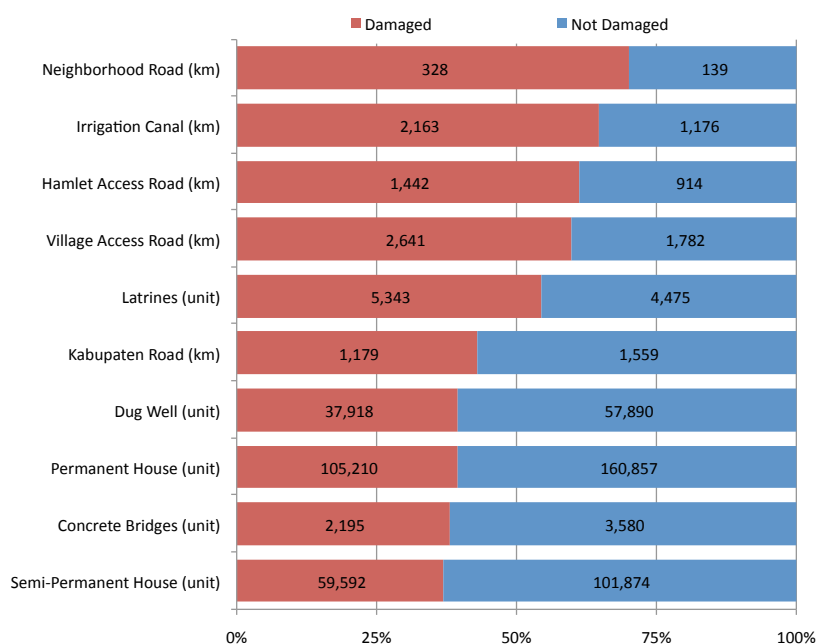


**Figure 4.8: Housing and Infrastructure Sector Cost of Conflict**



Source: Cost of Conflict in Aceh, MSR.

**Figure 4.9: Level of Damage to Housing and Infrastructure**



Source: Cost of Conflict in Aceh, MSR.



## Social

The social sector accounts for approximately Rp. 3.2 trillion (US\$ 317.8 million) or three percent of total damage and losses. Damage and loss in the social sector was primarily to the health infrastructure (57 percent of the value of damage and losses in this sector), in particular damage to local medical clinics valued at Rp. 102.5 billion (US\$ 10.2 million) and losses of Rp. 1.7 trillion (US\$ 169.9 million) in human capital due to malnutrition in children caused by the conflict—Table 4.5 and Figure 4.10. The loss due to extra medical costs incurred from sickness and injuries due to the conflict could not be determined and hence is not included in our calculations.

In the education sector, 4,379 or two-thirds of schools (from pre-schools to high schools, including *madrasahs*) were damaged or destroyed—Figure 4.11. This led to damage of Rp. 1.1 trillion (US\$ 105.4 million). Schools were a particular target of both sides during the conflict. Insurgents perceived them as extensions of the Indonesian state, and the TNI damaged schools for several reasons—to cast blame on GAM, terrorise communities, and to make it more difficult for families to live in remote villages.<sup>51</sup>

Damage to 64 percent of the 3,055 places of worship in rural Aceh exacted Rp. 322.8 billion (US\$ 32.3 million) worth of damage in the community, cultural and religion sub-sector. Loss was not calculated for this sub-sector.

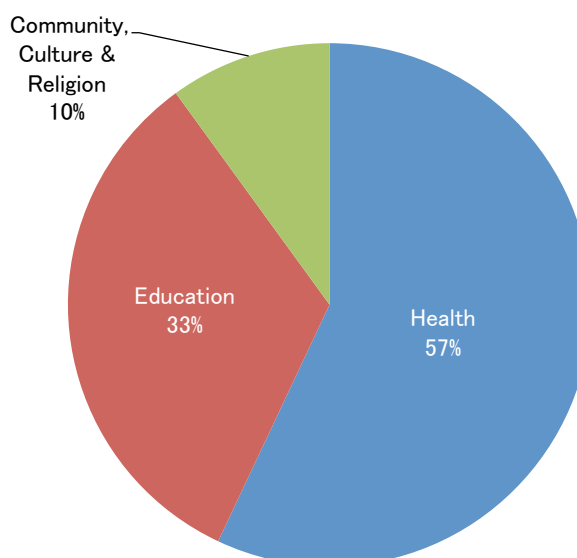
**Table 4.5: Social Sector Cost of Conflict**

Sector/Sub-Sector	Damage (Billion Rp.)	Loss (Billion Rp.)	Cost of Conflict (Billion Rp.)
<b>Social Sector</b>	<b>1,479</b>	<b>1,699</b>	<b>3,178</b>
Health	102	1,699	1,802
Education	1,054	-	1,054
Community, Culture & Religion	323	-	323

Source: Cost of Conflict in Aceh, MSR.

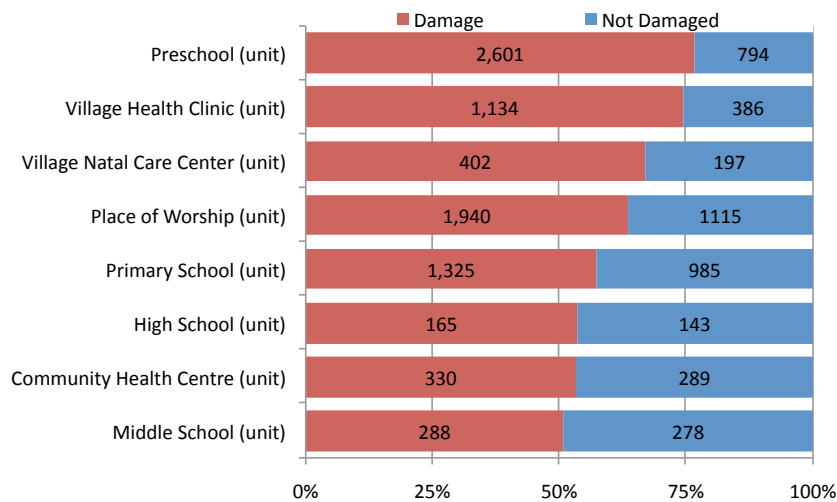
In addition to the physical destruction of educational and health facilities, many teachers and health workers fled conflict-affected rural areas for the relative safety of towns and cities.

**Figure 4.10: Social Sector Cost of Conflict**



Source: Cost of Conflict in Aceh, MSR.

**Figure 4.11: Level of Damage to the Social Sector**



Source: Cost of Conflict in Aceh, MSR.

In addition to the physical destruction of educational and health facilities, many teachers and health workers fled conflict-affected rural areas for the relative safety of towns and cities. Many have yet to return, and incentives are still needed to encourage them to go back to more remote rural areas. Beyond lost school tuition income and some costs associated with reopening schools, the human capital costs of foregone or interrupted education and lack of access to basic health care are not factored into the overall loss figures for the social sector but are undoubtedly high and widespread.

#### 4.4 Damage and Loss by District

Eighty percent of provincial costs of conflict totalling Rp. 65.5 trillion (US\$ 6.5 billion) were concentrated in just eight of 21 districts and municipalities. The district of Aceh Utara suffered the heaviest damages and losses at Rp. 12.5 trillion (US\$ 1.3 billion). Other districts with damage and loss levels in excess of Rp. 5 trillion (US\$ 500 million) include: Aceh Timur at Rp. 10.1 trillion (US\$ 1.0 billion); Pidie at Rp. 9.4 trillion (US\$ 944.7 million); and Bireuen at Rp. 7.3 trillion (US\$ 730.1 million). Map 4.2 shows the total damage and losses incurred in 20 rural districts and urban centres.

Permanent housing accounts for the greatest proportion of infrastructure damage in all districts. Every district also experienced extensive damage to local roads, livestock, and rice and other fields. In addition, however, each district experienced particular types of damage to other important sectors. These varied from district to district depending on the nature of the economy in each.

Table 4.6 shows the most impacted forms of infrastructure for different districts in descending order of costs incurred from the conflict not including the Aceh-wide costs of housing and roads. In districts with strong commercial activity, such as Aceh Utara and Aceh Besar, stores and shops accounted for much of the damage. Fish and shrimp ponds were highly damaged in Aceh Timur and in Bener Meriah, but they were less prominent in other districts.

Rice fields, while common across Aceh, sustained particularly heavy damaged in Aceh Selatan and Bener Meriah. There was also significant rice field damage in Aceh Utara and Bireuen. Thousands of head of livestock were lost due to conflict. Although loss of stock was not financially the greatest source of damage in any district, water buffalo and cattle account for a significant



**Map 4.2: Cost of Conflict by District**



Source: Cost of Conflict in Aceh, MSR.

Permanent housing accounts for the greatest proportion of infrastructure damage in all districts.

**Table 4.6: District Specific Types of Damage**

District (in descending order of damage value)	Specific Types of Damage (in order of damage value and NOT including housing or roads)
<b>Aceh Utara</b>	stores/shops, rice fields, cattle, fish and shrimp ponds, places of worship, irrigation channels, pre-schools
<b>Aceh Timur</b>	fish and shrimp, water buffalo, rice fields, other fields, stores/shops, preschools, places of worship, cattle, high schools
<b>Pidie</b>	water buffalo, cattle, stores/shops, rice fields, places of worship, primary schools, village markets, concrete bridges
<b>Bireuen</b>	rice fields, cattle, stores/shops, pre-schools, fish and shrimp ponds, irrigation channels, village markets, latrines, concrete bridges
<b>Aceh Selatan</b>	other fields, water buffalo, places of worship, primary schools, pre-schools, stores/shops, concrete bridges
<b>Bener Meriah</b>	rice fields, other fields, fish and shrimp ponds, pre-schools, places of worship, primary schools
<b>Aceh Besar</b>	cattle, water buffalo, stores/shops, irrigation channels, places of worship, dug wells, latrines, pre-schools
<b>Aceh Tengah</b>	water buffalo, other fields, rice fields, pre-schools, places of worship, primary schools, fish and shrimp ponds

Source: Cost of Conflict in Aceh, MSR.

proportion of the damage in Aceh Timur, Bireuen, Pidie, Aceh Besar and Aceh Tengah. Irrigation channels were particularly damaged in Aceh Besar, Aceh Utara and Bireuen.

In addition to needs relating to housing and roads, different districts thus have specific needs. As such, a district-specific approach to repairing or replacing damaged assets will be most effective. A complete listing of damage is provided in Annex Two.



#### **Box 4.2: Definitions of Sunk Cost and Recoverable Loss**

Loss can be broken into two categories, that which is sunk and that which is recoverable.

For the purposes of the MSR, sunk costs are those that cannot be compensated for or replaced. Examples of sunk cost are the cost of extra police and military mobilisation to maintain security and protect assets, lost income from unpaid taxes and utility bills, and costs to build and maintain temporary barracks for IDPs which are no longer needed. Loss to government makes up the majority of these losses.

On the other hand, recoverable loss is that which is due to asset damage and could conceivably be compensated through cash or in-kind assistance (the supply of appropriate goods), or recovered by households and businesses as a result of generalised growth of the peacetime economy. Conflict loss due to reduced or ceased production in manufacturing, agriculture and fisheries and reduced retail revenue are considered to be recoverable loss. Lastly, loss of revenue due to mental trauma as an impediment to employment could also conceivably be compensated for and therefore is considered as a recoverable loss.

## Repair, Replace and Compensate?

At least Rp. 11.8 trillion (US\$ 1.2 billion) is needed to repair or replace damaged infrastructure and assets. Calculating what is required to address loss, however, is more complicated as some of these costs are sunk while others are conceivably recoverable and hence can be compensated for. See Box 4.2 for an explanation of sunk costs and recoverable loss.

In Aceh, sunk costs are estimated to total Rp. 46.1 trillion (US\$ 4.6 billion) or 48 percent of total losses; recoverable loss is estimated to be Rp. 49.5 trillion (US\$ 5.0 billion) or 52 percent of total loss (Table 4.7).

**Table 4.7: Sunk Costs and Recoverable Loss by Sectors**

Sector/Sub-Sector	Recoverable Loss (Billion Rp.)	% of Total Recoverable Losses	Sunk Costs (Billion Rp.)	% of Total Sunk Costs
<b>Productive Sector</b>	<b>49,522</b>	<b>100</b>	<b>16,090</b>	<b>35</b>
Agriculture & Livestock	26,570	54		-
Enterprise	10,505	21	16,090	35
Fisheries	12,447	25		-
<b>Infrastructure &amp; Housing</b>		-	<b>2,872</b>	<b>6</b>
Housing		-	2,700	6
Transport		-		-
Water & Sanitation		-	7	0.01
Flood Control & Irrigation Networks		-		-
Energy		-	166	0.4
Other Infrastructure		-		-
<b>Social Sector</b>		-	<b>1,699</b>	<b>4</b>
Health		-	1,699	4
Education		-		-
Community, Culture & Religion		-		-
<b>Governance &amp; Administration</b>		-	<b>25,450</b>	<b>55</b>
Security		-	22,523	49
Government Revenue		-	2,927	6
Village Governance		-		-
<b>Total</b>	<b>49,522</b>	<b>100</b>	<b>46,111</b>	<b>100</b>

Source: Cost of Conflict in Aceh, MSR.

The Indonesian nation as a whole also bore the cost of conflict through extra funding for security measures and other expenses. The analysis shows just how costly war is.

It is not necessary or feasible to try to compensate for sunk costs. However, compensation and in-kind assistance could conceivably be provided to address recoverable losses. It is impossible to assess who exactly was impacted the most by these losses; arguably the entire population of Aceh suffered due to widespread disruptions in livelihood activities. As such, targeted approaches for compensation alone will tend to be ineffective and could cause new tensions. However, it does suggest that efforts must be made to help Aceh rebound from conflict.

In large part, enhanced economic growth is the most effective way to help absorb such past losses. But some additional public spending may be appropriate, too. The provision of extra special autonomy resources under the LoGA (Chapter Eight) is an important step to this end.



## 4.5 Conclusions

Despite the conservative methodology employed, and the numerous different forms of damage and loss that were incalculable due to lack of data, the massive economic costs that the conflict inflicted on Aceh are clear. The Indonesian nation as a whole also bore the cost of conflict through extra funding for security measures and other expenses. The analysis shows just how costly war is.

The results emphasise the need to repair and replace public and private infrastructure, and to undertake a concerted long-term effort to support the productive sector if Aceh is to recover economically from the years of conflict. Housing, while the most damaged form of infrastructure, does not directly contribute to rebuilding the economy; as such, it may be less of a priority than replacing productive assets. This is especially so when considering that most of the totally destroyed housing stock has already been replaced with government assistance through BRA with the remainder planned for replacement in 2010. Assistance to the education sector to replace damaged schools is vital for the restoration of quality education in Aceh. While compensation for those who have suffered a recoverable loss is not necessarily the best approach, considering the specific needs of each district can make assistance more effective.

Most significantly, this chapter shows that at the time of the Village Survey in 2006, a great deal of work needed to be done. The following chapter looks at how much of this had been achieved by the end of 2008.

The results emphasise the need to repair and replace public and private infrastructure, and to undertake a concerted long-term effort to support the productive sector if Aceh is to recover economically from the years of conflict.



*A bridge ruined due to lack of maintenance during the conflict. This bridge has subsequently been repaired by district authorities.*





# 5

## Stock-Take of Post-Conflict Assistance

Substantial assistance has been provided to support Aceh's peace process. However, significant gaps remain in building the foundations for sustainable peace and development.

This chapter provides a stock-take of post-conflict assistance in Aceh up until the end of 2008. It considers both aid aimed at supporting reintegration and peace-building, as well as other tsunami and development assistance which has addressed needs in conflict-affected areas. It also touches upon pre-MoU funding.

The chapter brings together data from national and provincial government, donors, and implementing organisations on how much aid has been provided and from which sources. It also examines what sorts of programs have been undertaken and in which areas. This data is compared with the cost estimates outlined in the previous chapter to determine the degree to which assistance to date has addressed conflict-related losses and damage, and to identify sectoral and geographic gaps. In this way, the stock-take should contribute to more informed and strategic decision-making by policy-makers and program implementers.

Key findings include:

- The total of both direct and indirect commitments (Boxes 5.1 and 5.3) to post-MoU reintegration and peace-building is Rp. 9.0 trillion (US\$ 895.1 million). This is about one-seventh of the amount provided for the tsunami reconstruction effort, despite the fact that, in economic terms, damages and losses from the conflict were almost twice times those from the tsunami.
- Direct reintegration and peace-building assistance totals Rp. 3.7 trillion (US\$ 365.6 million). Similar shares have been provided by the government and by donors.
- Thirty-eight donors, including government, and 89 implementing organisations have delivered 140 reintegration and peace-building programs across Aceh. This makes coordination between them potentially easier than for tsunami reconstruction, where many more organisations were involved.
- Of the total amount of funds committed for direct reintegration and peace-building programs, 96 percent has already been allocated and 81 percent already disbursed. This underscores the urgent need for new resources to be mobilised to address remaining issues.
- A wide variety of programs have targeted individuals, communities, infrastructure and local government structures, and have supported mechanisms designed to promote peace. Four of the most heavily conflict-affected districts (Aceh Utara, Bireuen, Aceh Timur and Pidie) have received the largest share of assistance.
- The greatest share of funds has been provided to projects focusing on the sectors of governance and administration.



- The reach of assistance in the field is uneven. Many former combatants and conflict victims claim not to have received assistance. However, on the whole these two groups have received more assistance than civilian non-victims.
- Indirect contributions to peace-building eclipse funds provided through direct reintegration and peace-building programs. An estimated Rp. 5.3 trillion (US\$ 529.5 million) of tsunami recovery and development funds have supported post-conflict recovery in non-coastal areas. Of this amount, provincial and district governments have contributed almost Rp. 135 billion (US\$ 13.5 million) through general development, governance and cultural programs.
- There was significant assistance provided by the government, donors and civil society prior to the MoU. However, the lack of available data on this assistance makes it difficult to accurately calculate its value.
- Immediate reinsertion cash assistance for former combatants was useful for building trust but it may have had limited measurable effect on longer term welfare levels of recipients.
- While there is a gap between post-MoU assistance and the cost of conflict, filling this gap completely with further assistance is neither feasible nor desirable. Aceh requires long term and conflict sensitive development approaches that will have a sustainable impact, especially in the highest conflict-affected districts of Aceh Utara, Aceh Timur, Pidie and Bireuen.
- The peace dividend in the form of extra general allocation funds (*dana otsus*) and oil and gas revenues is expected to contribute Rp. 78.6 trillion (US\$ 7.9 billion) to the Acehnese economy through to the end of 2027. This is substantially more than the total provincial costs of damage and recoverable loss, and provides an opportunity for Aceh build back better if used effectively.

Four of the most heavily conflict-affected districts (Aceh Utara, Bireuen, Aceh Timur and Pidie) have received the largest share of assistance.

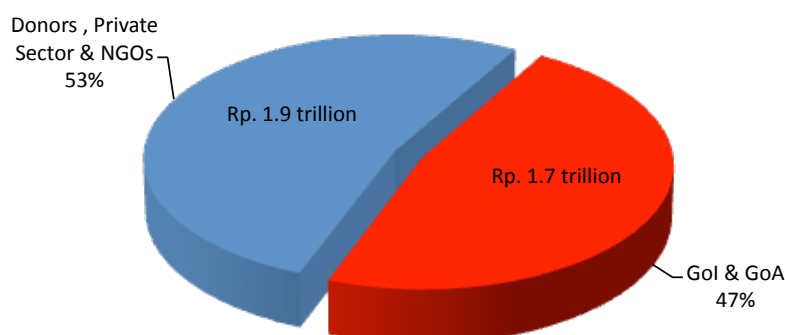
The complete stock-take matrix of reintegration and peace-building programming is included as Annex Three of the report.<sup>52</sup>

## 5.1 The Who, What and Where of Assistance

### The Big Picture

The total amount of assistance committed specifically or directly for post-MoU for reintegration and peace-building is Rp. 3.7 trillion (US\$ 365.6 million). Just over half (Rp. 1.9 trillion or US\$ 192.1 million) of this has come from donors, the private sector and NGOs; the remainder (Rp. 1.7 trillion or US\$ 173.5 million) is from national and provincial government sources (Figure 5.1).

**Figure 5:1: Sources of Direct Assistance**



Source: The Aceh Peace Process Stock-Take, MSR.

While the government will continue to lead the peace process, the almost equal share of funding bodes well for further cooperation and productive relationships between donors and government.

Of the 38 organisations providing funds, by far the largest contributor has been the Government of Indonesia (Rp. 1.5 trillion or US\$ 150 million). Other significant contributions have come from the EC, which has committed over Rp. 500 billion (US\$ 50 million, see Box 5.2), AusAID, with commitments of over Rp. 400 billion (US\$ 40 million), and USAID, the Government of Japan and the Government of Aceh, each having committed over Rp. 200 billion (US\$ 20 million). Other major contributors include DFID, CIDA, Government of Sweden, German Development Bank and the Royal Embassy of the Kingdom of the Netherlands.

### **Box 5.1: Calculating Peace-Building Assistance**

Multiple sources were used to compile a stock-take of assistance that has directly and indirectly supported the peace process to date.

The primary source was MSR surveys with government, donors and implementers. Government and donors were interviewed and filled in a simple form that provided basic project information, contact details and financial data. Implementing partners were then interviewed and filled in a more detailed form containing a comprehensive project description, outputs, indicators, beneficiaries, locations and funding data. Two hundred and sixty-four organisations that were thought to possibly have post-conflict programs were contacted to participate in the survey based on a review of the BRA donor matrix<sup>53</sup> and the BRR RAN Database.<sup>54</sup> Forty-three participated fully in the survey. The MSR team also took data from the RAN database for those organisations that did not fully respond.

Data on BRA programs was obtained directly from the BRA's website, information sheets and press releases, and through interviews with the agency's staff. Secondary data for local government programs outside of BRA came from provincial and district governments' Reports on Accountability and Performance of Government Institutions (*Laporan Akuntabilitas Kinerja Instansi Pemerintah*, LAKIP). Forty-six editions of LAKIP from between 2005 and 2007 from 19 districts were screened for programs contributing to peace-building. Fourteen editions were unavailable.

Once the data was collected, it was cleaned, checked for inconsistencies and redundancies (e.g., donors and implementers reporting the same programs) and rendered in a standardized format. Projects were then checked against the criteria for post-conflict assistance (Box 5.3) and were allocated sectors based on ECLAC definitions.



### ***How many projects and implementers?***

Thirty-eight donors have supported 140 projects implemented by 89 organisations. Fifty-two percent of these have been local NGOs. The number of organisations involved is much lower than for tsunami assistance (at least 563), which should make coordination between them easier.<sup>55</sup>

### ***What is the progress from commitment to implementation?***

The vast majority of funds for reintegration and peace-building projects have already been allocated and most have already been spent. Of the total of Rp. 3.7 trillion (US\$ 365.6 million) of



### Box 5.2: Tangible Peace Dividends for Aceh with EC Support

In addition to funding AMM in the immediate post-MoU period, the European Commission (EC) has funded the Aceh Peace Process Support program (APPS). The APPS program is based on the understanding that long-term stability in Aceh will depend on the Helsinki MoU being implemented in its entirety, on the delivery of tangible peace dividends to the Acehnese people, and on improvements to public services and institutions. APPS was established to assist in the implementation of the peace agreement in four areas: election support, police reform, justice reform, and local governance reform.

Election support included an observation mission for the 2006-07 elections conducted jointly by the European Parliament and the EC, and the publication of a booklet identifying lessons learned for future elections. The EC also provides support for a community policing program (implemented by IOM) involving 23 training centres. Support for justice reform is being implemented through UNDP's Access to Justice Project which conducts training and funds local NGOs for rule of law projects. The EC is also providing support for governance in Aceh through the Aceh Local Government Assistance Project (ALGAP) implemented by GTZ. The project includes three years of legal assistance to the Governor to assist in drafting the provincial Qanun necessary to implement the LoGA in Aceh.

Regarding reintegration, the EC provided reinsertion payments and medical support to amnestied prisoners immediately after the MoU. With funding to UNDP, the EC is providing technical and operational support to BRA through the Strengthening Sustainable Peace and Development in Aceh (SSPDA) program. SSPDA seeks to ensure that BRA has sufficient technical capacity to carry out its mandate, while supporting the social and economic reintegration of former combatants, IDPs, and vulnerable populations in conflict-affected areas through livelihood assistance projects and socio-cultural initiatives. SSPDA is also assisting BRA and the provincial government in its recent restructuring and strategic planning to tackle the remaining challenges of the peace process.

APPS was established to assist in the implementation of the peace agreement in four areas: election support, police reform, justice reform, and local governance reform.

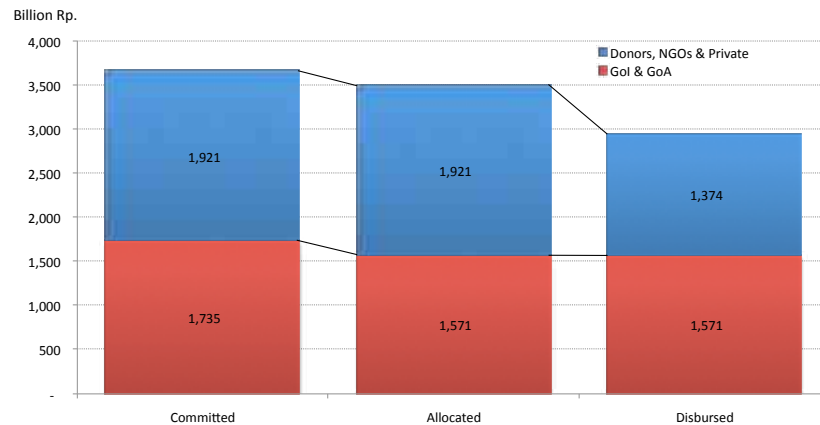


*From Left to Right: A peace concert co-sponsored by the EC and headlined by the popular local singer Rafly; Strategy planning workshop for BRA, and; Project monitoring in Pidie Jaya for SSPDA.*

committed funds, Rp. 3.5 trillion or US\$ 349.2 million (96 percent) has been allocated to specific projects, and Rp. 2.9 trillion or US\$ 294.5 million (81 percent) has been disbursed (Figure 5.2).<sup>56</sup> Only Rp. 163.8 billion or US\$ 16.4 million (4 percent) has been committed but not yet allocated.

Ninety-two percent of the Rp. 1.5 trillion (US\$ 150 million) provided by the Government of Indonesia has already been disbursed. Eighty-five percent of the Rp. 235 billion (US\$ 23.5 million) committed by the Government of Aceh has been disbursed and it is expected that the remainder will have been delivered by the time of publication.<sup>57</sup> Seventy-two percent or Rp. 1.4 trillion (US\$ 137.4 million) of donor and NGO funds have been disbursed. There are no committed donor or NGO funds that have not been allocated.

**Figure 5.2: Commitment to Disbursement Progress**

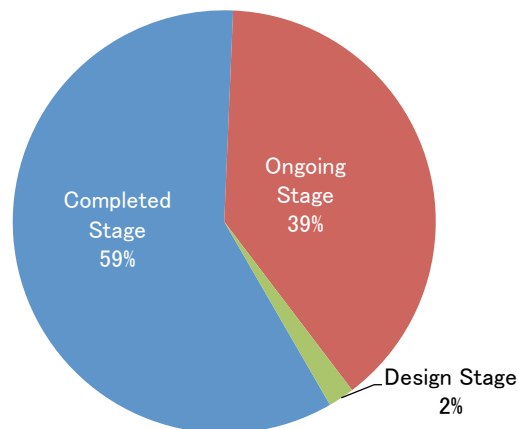


Source: The Aceh Peace Process Stock-Take, MSR.

Of the 140 projects directly contributing to peace and reintegration, 83 are completed, 54 are on-going, and three are still in the design phase (Figure 5.3). Given the immensity of needs, this underscores the urgency of securing more funding for conflict recovery and peace-building.



**Figure 5.3: Project Implementation Stage**



Source: The Aceh Peace Process Stock-Take, MSR.

### Box 5.3: Defining a Post-Conflict Project

Aceh has received a massive influx of aid over the last four years, most of this for post-tsunami recovery and reconstruction.

Only projects that are considered to be direct or specific reintegration or peace-building projects have been included in the stock-take matrix. To determine whether a project was a direct reintegration project, it had to meet two basic criteria:

- The project objective is directly related to post-conflict recovery, reintegration or peace-building, and that objective is overtly stated in project documents;

- The majority of beneficiaries are conflict victims, conflict participants, conflict affected communities or people/groups actively working for peace.

Projects that do not meet both criteria but which are implemented in non-coastal sub-districts, and therefore cannot be said to be addressing tsunami damage, are considered to be indirectly contributing to post-conflict recovery.<sup>58</sup> These indirect projects are not included in the MSR stock-take matrix of reintegration and peace-building programming. Similarly, local government programs that are implemented with development budgets and which have reintegration or peace-building objectives are also considered to be indirectly contributing to the peace process but are not included in the matrix (Section 5.3).

For the MSR stock-take, projects implemented in coastal sub-districts with tsunami recovery objectives are not counted as post-conflict peace-building projects. However, given that many tsunami victims were also conflict victims, there has been a significant but difficult to quantify impact from tsunami funds on post-conflict recovery.

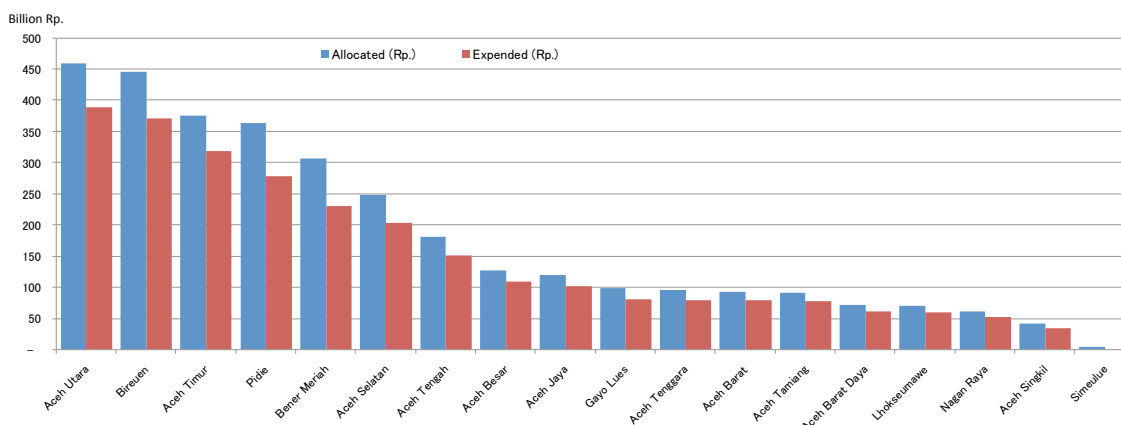
Peace-building programs are categorised by sector according to ECLAC definitions.<sup>59</sup> Livelihood programs fall under enterprises, agriculture and livestock, or community, culture and religion, depending on the primary aims of the project. In some cases funding for large programs is split between two categories where a project has two main aims.<sup>60</sup>

### ***Where are projects being implemented?***

Projects for reintegration and peace-building have been implemented in every district and municipality in Aceh (Figure 5.4). The highest concentration of funds has gone to the east coast districts of Aceh Utara, Bireuen, Aceh Timur and Pidie, GAM's former strongholds and hence the sites of much of the violence.



**Figure 5.4: Allocations and Expenditure on Reintegration and Peace-Building per District**

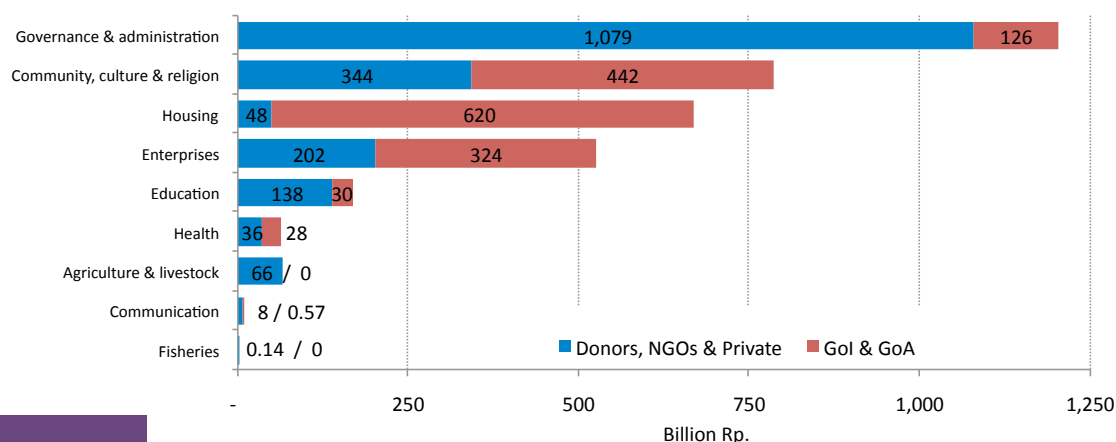


Source: The Aceh Peace Process Stock-Take, MSR

### Which sectors do projects address?

The largest proportion of peace-building funds has been spent on governance and administration, followed by community, culture and religion, and housing (Figure 5.5). While governance and administration support has been almost entirely funded by donors and NGOs, nearly all funds for housing reconstruction have come from the government.

**Figure 5.5: Breakdown of Assistance Allocated per Sector**



Source: The Aceh Peace Process Stock-Take, MSR

### Forms of Assistance

Direct reintegration and peace-building programs have taken a number of forms. First is direct assistance to individuals. The Helsinki MoU defined three categories of conflict-affected people: former combatants (ex-TNA), pardoned political prisoners, and victims of conflict ('civilians who have suffered a demonstrable loss due to conflict').<sup>61</sup> Government and donors have provided reintegration assistance

to all three groups.

Second, some aid has been distributed to strengthen groups, organisations and institutions such as village livelihood and economic development collectives. NGOs and government institutions have also received assistance for welfare, health and capacity-building programs.

Third, infrastructure programs have been implemented in conflict-affected areas. Finally, advisory and public information activities have targeted audiences at the provincial and local levels.

### Targeted individual assistance: former conflict actors

Former conflict actors such as GAM (both combatant and non-combatant), political prisoners, PETA and FORKAB members have received the greatest share of direct assistance. In all, 25,086 units of assistance, valued at almost Rp. 400 billion (US\$ 40 million), have been delivered to former conflict actors: GAM members, PETA members (see Chapters Three and Eight) and political prisoners (Table 5.1).

Over 20,000 units of assistance has been provided to former GAM.<sup>62</sup> This number is greater than the number of former GAM combatants (14,333, see Chapter Three) estimated by the MSR. However, many former GAM members have received multiple forms of assistance, while others have received little or no assistance. For example, in Aceh Tengah some ex-combatants received assistance from both BRA and IOM.<sup>63</sup>

Former conflict actors such as GAM (both combatant and non-combatant), political prisoners, PETA and FORKAB members have received the greatest share of direct assistance.

**Table 5.1: Individual Assistance Outputs to Former Conflict Actors**

Assistance Output	Unit	Planned	Implemented	Progress (%)
Ex-GAM TNA	People	6,129	6,129	100
Ex-GAM Non-TNA	People	6,200	6,200	100
EX-GAM Non-Specified	People	607	607	100
Ex-Political Prisoners	People	3,946	3,946	100
Ex-GAM FORKAB	People	3,204	3,204	100
PETA	People	6,500	5,000	77
<b>Total</b>		<b>26,586</b>	<b>25,086</b>	<b>94</b>

Source: The Aceh Peace Process Stock-Take, MSR

In other districts, reintegration assistance was allocated through the KPA network, and was sub-divided and spread over a larger population.<sup>64</sup> Political prisoners released after the MoU received assistance from both BRA and IOM (Box 5.4). It is difficult to accurately establish what proportion of former combatants have received assistance or to calculate the variation in assistance received within the ex-combatant population.

#### Box 5.4: IOM: Individual Reintegration Through Livelihoods

The largest international agency program targeting individual conflict participants was implemented by IOM with support from the Government of Japan. Initially, 1,911 political prisoners and 3,044 ex-combatants (including 829 female ex-combatants) each received Rp. 10 million (US\$ 1,000) in in-kind assistance, training and mentoring for livelihood development activities. The one billion Japanese Yen (Rp. 86 billion or US\$ 8.6 million) program, which utilised IOM's Information, Counselling, and Referral Services (ICRS) model, first ran from early 2006 through mid-2007.

The initial ICRS program provided individually-tailored livelihood assistance, including vocational training and material support, to client beneficiaries. Clients were able to establish new small businesses or expand existing enterprises such as kiosks, petty trade, livestock breeding, agriculture, repair shops, fisheries and tailoring. Some clients formed groups to establish small operations such as carpentry workshops, rice mills and agricultural produce trading cooperatives. Each client received general business and sector-specific training as well as limited on-going mentoring. While some of the businesses have not been sustainable in the long term, the assistance to these two key groups of conflict participants was an important peace dividend in period following the MoU.

Currently the ICRS project works with 5,500 unemployed vulnerable youth, in addition to supporting 104 small and medium businesses and local civil society organisations that accept and place clients. Current clients were identified by their own communities as being in need of assistance, and were screened by the project in order to provide services to match a client's skills and ambitions to market opportunities.<sup>65</sup>



Left to right: Leader of an agricultural produce cooperative formed with fellow ex-combatants and political prisoners; Livestock breeder with his new water buffalo; A former female combatant at her new cafe, and; A former combatant who is running a motorcycle parts shop.





The Aceh authorities have distributed 77 percent of the units of assistance for former conflict actors, whereby a unit is one lot of assistance provided to an individual. Targeted assistance for conflict actors includes 3,000 units to former TNA members, 6,200 to GAM non-TNA, 3,204 to former GAM FORKAB (see Chapter Seven), 2,035 to former political prisoners, and 5,000 to PETA members. Central and provincial government funding for these individuals has largely been channelled through BRA with only assistance for PETA members being handled by the Office of National Unity and Community Protection (*Kesbanglinmas*) in 2007.<sup>66</sup>

IOM also provided in-kind livelihood assistance to 1,911 ex-political prisoners (27 female) and 3,044 ex-GAM TNA (829 female)—Box 5.4. Other assistance to ex-GAM TNA and non-specified GAM<sup>67</sup> has been provided through NGOs by various donors. There are plans to distribute assistance to the remaining 1,500 former PETA members in 2009.

All individual assistance to conflict actors was intended to support livelihood activities. However, as most of this assistance from the government took the form of direct cash grants, often without adequate monitoring or support services, it was also used for other purposes such as consumption and debt repayment.

These individuals may have also received assistance as member of a group or community. Some projects for communities specifically targeted ex-TNA, while others have sought to support development in former GAM strongholds without differentiating between GAM and non-GAM community members. Many of the Embassy of Japan's Grant Assistance for Grass Roots Human Security projects are of that nature (Box 5.5).



#### Box 5.5: Japan's Community-Based Human Security Approach

The Japanese Embassy's 'Grant Assistance for Grass Roots Human Security' scheme is intended to contribute to peace consolidation through community projects implemented by local NGOs and government authorities. In Aceh, the scheme has supported 21 projects, mostly in Pidie district, with more planned for 2009. Most projects, valued at up to Rp. 900 million (US\$ 90,000) each, have focused on supporting livelihood activities through the rehabilitation of irrigation facilities, construction of training centres and skills training, and supply of agricultural inputs such as seeds, tools and fertiliser. The scheme has also supported peace education for high school students, and voter education and post-conflict journalistic training programs.

Target beneficiaries have mainly been communities and groups, although for some projects, a certain number of individual former combatants chosen by the community received targeted assistance as part of a wider community project. Two projects have exclusively targeted female conflict victims, chosen by communities.

Hundreds of proposals from groups throughout the province were received. Projects were selected based on their contribution to peace consolidation, as well as their likely sustainability and expected outputs. It is planned that the program will run until at least 2010.



*Project supporting conflict victims through the rehabilitation of a weir and channel in Bandar Baru, Pidie, implemented by the Perak Foundation and completed in November 2007. The weir and gates were damaged and not maintained during the conflict in this former GAM stronghold village.*



### Targeted individual assistance: conflict victims

In total, 335,822 units of individual or household assistance have been delivered to conflict victims in a variety of forms. For livelihood support, people have received training, cash grants, and in-kind assistance. Scholarships have been provided for conflict orphans (Box 5.9). Others who were disabled, traumatised or debilitated by sickness from the conflict have received medical treatment and life skills support. Programs to improve governance have included awareness raising campaigns and capacity-building training. Thousands of victims have also received housing (Box 5.7 and Table 5.2).

**Table 5.2: Individual Assistance to Conflict Victims**

Assistance Output	Unit	Planned	Progress	Progress (%)
Social compensation ( <i>diyat</i> ) paid	People	29,828	29,828	100
General livelihood assistance provided	People	9,074	9,074	100
Health services delivered	People	3,220	3,220	100
Assistance for IDPs provided	People	2,500	2,500	100
Agricultural training/inputs provided	People	87,819	87,823	100
Livestock provided	People	83,610	83,610	100
Fishery inputs provided	People	9,127	9,127	100
Small business development supported	People	61,538	61,538	100
Educational support provided	People	121	121	100
Village leader trained	People	67	67	100
Assistance orphan/children/youth provided	People	35,915	25,669	71
House built/rehabilitated	HH	30,613	19,138	63
Teacher trained	People	274	70	26
People or facilitator trained/empowered	People	107,711	4,035	4
Electrical meter provided	Unit	452	2	0.4
<b>Total</b>		<b>461,869</b>	<b>335,822</b>	<b>73</b>

Source: The Aceh Peace Process Stock-Take, MSR

BRA has provided 92 percent of the 335,822 units of individual assistance to conflict victims, mainly through the BRA-KDP program. BRA-KDP supported at least 233,428 people.<sup>68</sup> BRA-KDP beneficiaries received cash enabling them to procure goods mainly for livelihood activities such as livestock, agricultural inputs and small business development (Box 5.6).

The BRA-KDP program was initiated after an initial attempt to channel economic and livelihood development assistance to conflict victims failed (see Chapter Eight). However, after one round of the program, BRA reverted to a system of top-down direct targeting of reintegration assistance. BRA has also provided *diyat* assistance to 29,828 people who lost a family member in the conflict as well as housing (16,468 households, Box 5.7), orphan education assistance (16,698 children), and livelihoods assistance to 9,074 persons.

Non-BRA individual support includes housing (2,670 households), agricultural inputs/training (8,791 people), orphan and child assistance (8,971 children) and support for IDPs (2,500 people) from a variety of sources. IOM also provided livelihood support to 5,000 youths, many of whom are former combatants (Box 5.4).

Another 126,047 units of assistance are planned or in process. The majority of these come under two projects, for raising awareness of legal rights and stabilising Aceh through training for improved nutrition and agricultural practices.<sup>70</sup> The most substantial ongoing assistance in monetary terms is for another 11,475 houses to be constructed by BRA and donors.

Targeted individual assistance to both ex-combatants and conflict victims has had varied success. As discussed below in Section 6.3, households that did not receive assistance



### Box 5.6: BRA-KDP: Letting Communities Decide

In mid-2006 BRA implemented the Community-Based Reintegration Assistance for Conflict Victims Program (BRA-KDP) in 1,724 villages, approximately one-third of the villages in Aceh. The program covered 67 sub-districts and used a community-based mechanism, wherein villagers identified conflict victims and decided on what assistance would be most helpful to them.

The program was implemented through the government's pre-existing Kecamatan Development Program (KDP), which had an extensive network of technical facilitators, trainers and financial experts across the province. BRA-KDP operated on the same 'open menu' system as KDP, meaning that communities could propose almost any kind of project, and beneficiaries could be the entire community, a group of villagers, or individuals, depending on the community's preference.

The program disbursed Rp. 218 billion (US\$ 21.8 million), with almost 90 percent of block grants used for economic activity such as livestock, agriculture and small trading for individuals. The remaining ten percent of the grants were used for community infrastructure development. Each village received between Rp. 60 million (US\$ 6,000) and Rp. 180 million (US\$ 18,000) depending on its population and level of conflict intensity during the conflict. Most villagers viewed the grants as compensation for damage and loss from the conflict rather than as being primarily for developmental purposes. Nevertheless, the program had strong welfare outcomes, decreasing poverty by 11 percent in project locations and doubling land use by conflict victims.<sup>69</sup>

Most villagers viewed the grants as compensation for damage and loss from the conflict rather than as being primarily for developmental purposes.



*From left to right: BRA-KDP women's village meeting in Bener Meriah; Funds distribution to a village level implementation unit; and; Cow received through the program in Aceh Tamiang.*

have accumulated assets more rapidly than those that did receive. Undoubtedly provision of assistance to potential spoilers of the peace process was important in the early post-MoU period. However, the sustainability of livelihood projects that lacked community involvement, business support, skills training, monitoring systems and/or follow-up has been poor, with many small and micro-businesses failing or assistance being diverted for daily consumption and the purchase of consumer goods such as motorcycles and mobile phones. Future livelihoods assistance will need to place more emphasis on the sustainability of supported activities.

Interventions that relied on former combatant structures to identify beneficiaries also encountered challenges, with money spread widely limiting its impacts, and the exclusion of some leading to tensions. Arguably some of these problems were unavoidable. However, this approach led to tensions over resource distribution, to some eligible people missing out and to the enrichment of certain individuals (discussed further in Chapters Six and Seven).

The provision of new housing has assisted thousands of conflict-affected households. However, housing programs have led to jealousy between those who have, and who have not, received support. BRA provides assistance only to households whose dwellings were completely destroyed during the conflict, meaning that many families whose houses were heavily damaged but that remain standing are not eligible for this form of assistance (Box 5.7).

### Box 5.7: BRA Housing: Aceh's Largest Post-Conflict Program

The BRA housing program is the largest post-conflict program in Aceh. It is an ambitious effort to construct almost 30,000 houses for people whose homes were destroyed by the conflict.

The 2006 KDP Aceh Village Survey found that of the 559,395 rural houses in Aceh, 164,934 (29 percent) were damaged by conflict with almost 38,000 destroyed (6.8 percent) and 33,000 (5.9 percent) still needing replacement.<sup>71</sup> In 2006, 39,926 claims were registered for housing with BRA. Twenty-five percent were found to be duplicate claims and, after field verification, the number was reduced to between 25,000 and 30,000 with the final figure dependent on additional field checks. The BRA and KDP Village Survey results are remarkably similar for houses needing replacement, especially considering that the BRA estimates include urban houses as well.

A specially-formed Housing Task Force carried out data verification to ensure that claimants had actually lost a house as a direct result of conflict. In 2008, local consultants were hired independently to carry out the verification process.

To date, BRA has provided assistance for the construction of 16,468 houses, valued at Rp. 617 billion (US\$ 61.7 million). Between 2006 and 2008, the agency disbursed Rp. 34.5-40 million (US\$ 3,450-4,000) per unit for the construction of 3,253 houses; 1,725 units in the first year, 3,075 units in 2007 and 8,415 units in 2008. For 2009 and 2010, BRA is planning to provide assistance for 5,488 and 6,382 houses, respectively, pending funding availability and verification of claims.

The BRA unit cost is approximately two-thirds the average value of BRR and partner agency post-tsunami reconstruction houses, which cost Rp. 60-65 million (US\$ 6,000-6,500) each. This has led to some jealousy between post-tsunami and post-conflict beneficiaries (see Chapter Seven).

Currently, once a beneficiary is confirmed, they are required to open a bank account if they do not already have one. Payment into the account is made in two equal tranches with BRA teams verifying construction progress before the second payment. Beneficiaries may either build the house themselves or use contractors or hired labour. Beneficiaries can also use their own money to supplement the BRA assistance and are allowed to design the houses themselves. Priority is given to the most vulnerable groups such as IDPs, widows, disabled and the destitute. Complaints are handled by the public relations section of BRA, which forwards them to the Monitoring Council, which, together with BRA central and district staff, carries out field inspections as necessary. The Monitoring Council then makes recommendations for action to the Executive Director of BRA.



*Left to Right: The various styles chosen by beneficiaries of the BRA housing program in Aceh Tengah, Bener Meriah, Aceh Barat and Aceh Besar.*

That said, providing housing assistance to each of the estimated 165,000 households whose houses were damaged during the conflict is not realistic. Transparency, clear communication and increased community involvement in the process can help reduce tensions arising from housing programs.

### **Group assistance**

Over three thousand groups and organisations—such as farmers' groups, women's collectives, conflict victims' groups, community groups, villages, schools, local political parties, local government agencies, and local NGOs—have received assistance in areas such as livelihoods, trauma healing, education assistance, awareness raising and capacity-building (Table 5.3).<sup>72</sup> Hivos projects for women conflict victims are one example of this sort of program (Box 5.8).



*Former combatant with a water buffalo that he received as assistance.*

Groups have studied the conflict in Poso to understand mechanisms that were used there to minimise tensions.

### **Box 5.8: Hivos: Peace Support through Local Organisations**

Hivos, the Humanist Institute for Development Cooperation, is an international NGO based in the Netherlands. After opening a tsunami response office in early 2005, Hivos gradually shifted its emphasis from relief to longer-term livelihood, shelter, capacity-building and peace-building programs. The peace support program was formulated in the belief that Aceh's tsunami and conflict rehabilitation process depends not only on the consolidation of peace at the provincial level but also on the reintegration of former GAM members into society. The program's objectives include reducing people's—and particularly women's—vulnerability in conflict-affected regions, and contributing to the transition to peace after the signing of the Helsinki MoU.

An output of the program has been the establishment of the Conflict Early Warning Systems-Aceh (CEWS-Aceh) network, comprised of eleven local organisations. These organisations come together every two months to discuss the political situation, tensions (for instance, during the election campaign), issues relating to MoU implementation, criminality and disasters.

Hivos has also financed ten local organisations to implement peace-building projects. Examples include:

- Support to Javanese IDPs to return to their land in Aceh;
- Computer and internet training and democracy and human rights education for former combatants and conflict victims;
- Internet training for women activists to establish e groups to share experiences and information;



*Javanese transmigrants who have newly returned to Aceh Timur after fleeing the conflict six years ago.*



*Staff of the local NGO Adab building border posts that aim to reduce local land disputes.*



- Support to neighbouring villages to cooperate on clarifying borders to prevent land disputes.

Women have been involved in the implementation of all programs. Organisations also received institutional capacity-building for strategic planning, developing standard operating procedures, inter-organisation cooperation, and joint conflict analysis. Groups have studied the conflict in Poso to understand mechanisms that were used there to minimise tensions. The organisations now compile and analyse information in their own database.

BRA has also supported the peace process through awareness raising campaigns, educational programs, election monitoring, meetings and negotiations, and various cultural and artistic events. Finally, numerous programs aiming at improving governance, supporting conflict management, integrating marginalised groups and strengthening democracy have been supported through training, education, campaigns, technical assistance and in-kind support. A number of advisors have been provided by donors to the provincial government and directly to the Governor himself as technical assistance in fields such as policy development, budgeting, and governance.

Assistance for groups and organisations has mainly been from international donors and NGOs. Eighty-five groups and organisations are currently receiving or will receive assistance. Projects that involved community, established or supported self-sustainable groups, and provided vital services have tended to be more successful than those that did not.

**Table 5.3: Group Assistance**

Assistance Output	Unit	Planned	Progress	Progress (%)
Livelihood assistance provided	Group	2,707	2,707	100
Local organisations received assistance	Org.	68	68	100
Political party empowered	Org.	12	12	100
Trauma healing service provided	Group	21	21	100
Local governments of Aceh supported	Org.	22	22	100
Forum for peace established	Org.	1	1	100
Community group established/advocated	Group	442	398	90
Women groups trained/empowered	Group	83	63	76
Education assistance provided	Group	45	24	53
<b>Total</b>		<b>3,401</b>	<b>3,316</b>	<b>98</b>

Source: The Aceh Peace Process Stock-Take, MSR

### **Community infrastructure**

The conflict exacted a massive toll on community infrastructure (see Chapter Four). Since the MoU, assistance with an explicit peace-building aim has been provided for 2,462 units of infrastructure, including roads, bridges, children's centres, sports fields, irrigation facilities, schools, water storage units, community halls and health facilities, houses of worship, and community meeting facilities. Another 429 units of infrastructure such as roads and irrigation channels are currently being or will be built or rehabilitated in the near future (Table 5.4).

BRA has assisted in the repair or construction of 499 units of infrastructure including 292 places of worship, 43 sanitation facilities, 43 km of roads and 17 bridges. Donors and NGOs have repaired or constructed 1,964 units of infrastructure, including 462 sanitation facilities, 162 health centres, 16 schools, seven irrigation channels, and the clearing of 1,286 hectares of agricultural land. The



clearance and rehabilitation of an additional 399 hectares of land, repair of 24 km of road, and the repair or construction of six irrigation systems is currently underway.

Compared to the amount of infrastructure damage in Aceh, the volume of infrastructure projects to date has been limited. Further support for the repair and reconstruction of village and sub-district level infrastructure is needed. In general, projects that have actively engaged with communities in the processes of needs identification and construction have been more successful.

**Table 5.4: Community Infrastructure**

Assistance Output	Unit	Planned	Progress	Progress (%)
Bridge repaired/built	Unit	17	17	100
Clean water pools built	Unit	14	14	100
Flood control mechanisms built	Unit	16	16	100
Community halls repaired/built	Unit	6	6	100
Places of worship repaired/built	Unit	292	292	100
Water pipe line systems built	Site	18	18	100
Sanitation facility built	Unit	505	505	100
Dormitory built	Unit	3	3	100
Training facility built	Unit	2	2	100
School rehabilitated/reconstructed	Unit	16	16	100
Children centre built	Unit	2	2	100
Sports field built	Unit	6	6	100
Health centre repaired/built	Unit	162	162	100
Other infrastructure repaired/built	Unit	56	56	100
Land cleared/rehabilitated	Ha	1685	1286	76
Road repaired	Km	78	54	69
Irrigation channel rehabilitated	Site	13	7	54
<b>Total</b>		<b>2,891</b>	<b>2,462</b>	<b>85</b>

Source: The Aceh Peace Process Stock-Take, MSR

### **Research and communication**

Numerous agencies have been involved in undertaking research and producing reports on post-conflict reintegration and peace-building on topics ranging from conflict and peace monitoring, local elections, economic recovery and fiscal management, agricultural development, reintegration, peace-building, IDPs, and psycho-social needs.

An important source of reporting on social and political tensions, conflict events and political developments is the monthly Aceh Conflict Monitoring Updates (ACMU), co-ordinated until recently by the Conflict and Development team of the Social Development Unit of the World Bank, but recently renamed the Aceh Peace Monitoring Updates (APMU), to be published by the newly-formed Centre for Peace and Conflict Resolution Studies (CPCRS) at Syiah Kuala University.

The World Bank's Conflict and Development team has also overseen the implementation of numerous studies in Aceh, including an assessment in 2005 of conflict dynamics and opportunities for supporting the peace process<sup>73</sup> and report on reconstruction in a conflict environment,<sup>74</sup> the 2006 GAM Reintegration Needs Assessment,<sup>75</sup> an analysis of decentralisation, centre-periphery relations and conflict in Aceh,<sup>76</sup> a study on extortion and truck traffic in post-conflict Aceh,<sup>77</sup> an overview and analysis of the 2006-2007 executive elections in Aceh,<sup>78</sup> and an evaluation of the BRA-KDP program,<sup>79</sup> among others.



Other important research reports include two psycho-social needs assessment reports conducted by IOM and Harvard University,<sup>80</sup> a meta-analysis by IOM of vulnerabilities, human security and post-conflict programming,<sup>81</sup> the Aceh Community Assistance Re-search Project (ACARP) report on village governance, livelihood recovery and community-based infra-structure in post-tsunami villages,<sup>82</sup> and numerous reports on political and post-conflict developments in Aceh published by the International Crisis Group.<sup>83</sup>

BRA's 2008-2010 Strategic Plan and the 2009 Comprehensive Action Plan<sup>84</sup> contain an up-to-date assessment of reintegration and peace-building in Aceh. As well, numerous national and provincial NGOs, such as the Aceh Institute and the Institute for Research and Empowerment (IRE) carry out research and publish reports on a variety of peace-building related topics,<sup>85</sup> and have played an important role in developing local peace research and communication capacity.

The Aceh Research Training Institute (ARTI) based at Syiah Kuala University, is supported by four Indonesian and eight Australian universities and by grants from the Myer Foundation and AusAID, aims to build research capacity in Aceh by working with research students and university lecturers to enhance teaching, research outcomes, and facilitate the production of trained graduates vitally important for Aceh's rehabilitation. Another major international research initiative is the International Centre for Aceh and Indian Ocean Studies (ICAIOS), established by the Asia Research Institute of National University of Singapore, which has sponsored two major international research conferences in Banda Aceh in 2007 and 2009, and recently opened its research centre at Syiah Kuala University.

Equally or more important than research per se, are various efforts to communicate understanding of post-conflict development and peace-building in Aceh. The first major effort was the fielding of a 'Socialisation Team' to present and discuss the Helsinki MoU to communities and leaders throughout Aceh in 2005.<sup>86</sup> Since then, numerous agencies have undertaken a variety of activities, ranging from the publication and dissemination of the ACMU/ACPU reports mentioned above, to inclusion of peace awareness and conflict mediation training in localised NGO program implementation,<sup>87</sup> to major province-wide celebrations of peace in Aceh, such as series of concerts and shows organised by IOM with support from USAID, the Government of Japan, CIDA and the European Union on the third anniversary of the signing of the Helsinki MoU in August 2008 that was attended by over 100,000 people in six towns and nine villages across the province.<sup>88</sup>

Although a coordinated strategy for research and communication has yet to be elaborated, each research report and communication exercise has made its own contribution to creating the conditions for sustainable peace in Aceh.

## 5.2 The Reach of Assistance in the Field

In an effort of this scale, it is inevitable that some eligible individuals are missed, while others may receive multiple forms of assistance. Confirming eligibility for various forms of assistance is a difficult task faced by BRA (and beyond the scope of the MSR). The relatively high proportions of ARLS survey respondents who claimed they were eligible for particular forms of assistance, but had not received any, indicates that BRA and other agencies have not done an effective job of socialising their programs and eligibility criteria. This can lead to unrealistic expectations and potential tensions among members of the public. It should be

Equally or more important than research per se, are various efforts to communicate understanding of post-conflict development and peace-building in Aceh.



*Discussions with a FORKAB member in Pidie in August 2008 for a research project.*

noted, however, that survey respondents may have overstated their eligibility in the hope of receiving assistance.<sup>89</sup>

In general, ex-TNA households have been more likely to receive some form of assistance than civilian households, except for BRA-KDP and *diyat*, which have flowed more to households and surviving families of conflict victims. As shown in Figure 5.6, civilian conflict victims are nearly twice as likely as ex-combatant victims to have not received any assistance. Within the civilian population, both conflict victims and non-victims have received support, with the former receiving only marginally more. BRA-KDP, IOM and *diyat* have provided more aid to victims than non-victims.<sup>90</sup>

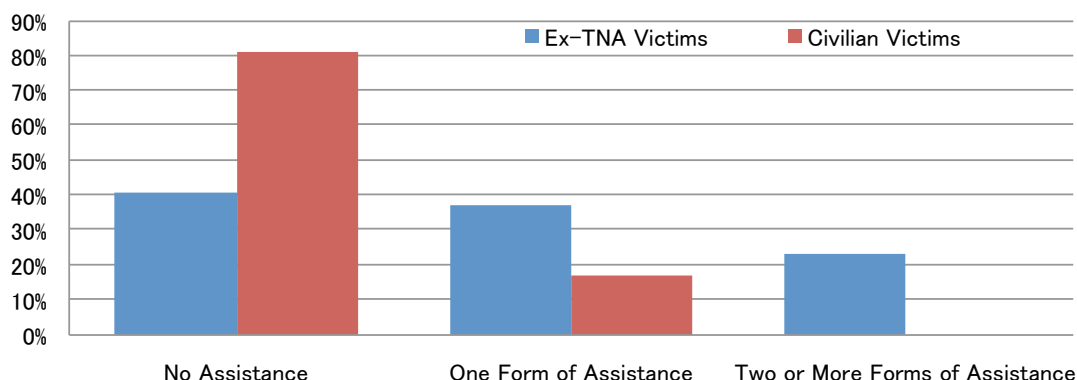
According to the ARLS, only 22 percent of people who claimed to have been a political prisoner at some time during the conflict have received special assistance. Under the terms of the Helsinki MoU, assistance for amnestied political prisoners was limited to those in custody at the time of the signing of the peace accord in 2005. As mentioned in Chapter Three, KPA maintains that there are at least 10,000 more people who were imprisoned at some point, who should also be entitled to reinsertion or livelihood assistance. Housing assistance is another sector where high expectations have not been met. BRA is replacing houses that were destroyed in the conflict, but does not provide reconstruction assistance to families whose houses were damaged.

Of the various assistance programs targeting individuals or households, *diyat* and BRA-KDP have been the most successful in reaching high proportions of their respective target populations. Even with these successful programs, however, the ARLS found that many people who considered themselves eligible had not received assistance.<sup>91</sup> BRA-KDP also generated some controversy by providing benefits to community members who were not technically eligible for reintegration assistance. This is due to the broad and subjective criteria for beneficiaries of the KDP program, and the fact that communities themselves are allowed to decide who should benefit.

Lack of coordination between different programs has led to some inequalities in who has received assistance. Sixty percent of ex-combatant conflict victims have received at least one form of reintegration support, including 23 percent who reported having received two or more forms of assistance. Among civilian conflict victims, only one percent have received two or more forms of assistance, whilst 81 percent have received no assistance at all. This percentage is twice as high as the proportion of ex-combatant victims who have not received any support.



**Figure 5.6: Multiple Forms of Post-Conflict Assistance<sup>†</sup>**



Source: ARLS. All differences are significant at 99%.

<sup>†</sup>Uses male respondents only for geographic representativeness.

**Table 5.5: Assistance to Ex-Combatant Households**

Assistance (%)	Men (n=1,024)	Women (n=51)	Officers (n=30)	Non-Officers (n=1,045)	Prisoners (n=97)	Conflict Victims (n=795)	Non-Victims (n=280)	Comparing Groups		
								Ex-TNA Men vs. Women	Officers vs. Non- Officers	Ex-TNA Victims vs. Ex-TNA Non-Victims
<i>Diyat</i>	7	10	10	7	6	8	4	3*	4	4
BRA-KDP (program areas only)	16	24	7	17	9	18	13	8*	-10	5
BRA housing	8	6	14	8	9	10	4	2	6	5***
GAM livelihoods	35	37	35	35	18	32	41	-3	0	-9*
IOM to ex-TNA/political prisoner	12	6	3	12	30	11	12	6	-8*	-1
BRA to political prisoner	3	2	0	4	22	4	2	1	-4***	2
PETA/GAM surrendered pre-MOU	2	4	0	2	6	3	1	-2	-2***	2
Tsunami (tsu. areas only)	8	8	7	8	9	7	9	0	1	-1

Source: ARLS. \*\*\* Significant at 99% \*\* Significant at 95% \* Significant at 90%

Note that some of these categories are not mutually exclusive. For example, a female ex-TNA might also count as an ex-TNA conflict victim and/or ex-prisoner.

### ***Which former combatants have received more?***

Within the ex-combatant population, some groups have received more aid than others. Female ex-TNA households received significantly higher levels of *diyat* and BRA-KDP assistance than their male counterparts, and were equally likely to have received GAM livelihoods assistance as men.

Ex-TNA officers were equally likely as other former combatants to have received BRA's GAM livelihoods assistance, but were significantly less likely to have received IOM assistance. Ex-officers were less likely to have received assistance provided to combatants who surrendered before the MoU, which is unsurprising given that officers were less likely than others to surrender. A higher proportion of former TNA officers have received BRA housing assistance than non-officers. This also is unsurprising, as it is more likely that officers' houses were targeted during the conflict.

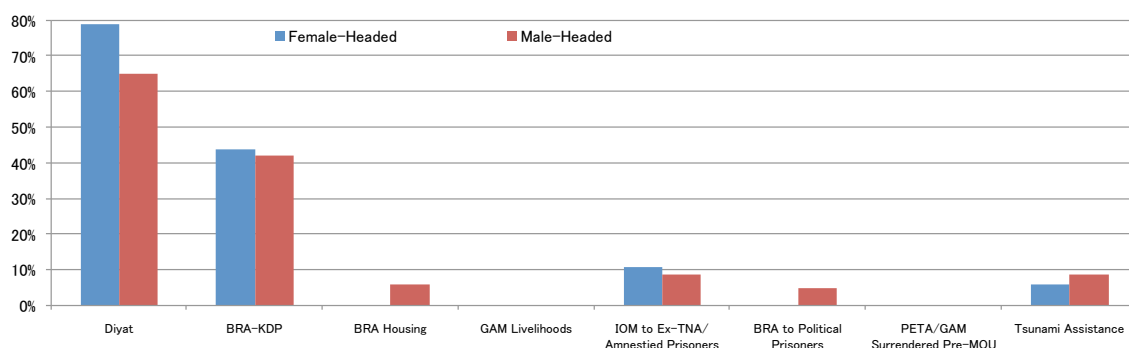
Ex-TNA who listed themselves as conflict victims were more likely to have received BRA housing assistance and BRA-KDP assistance than TNA non-victims, but were less likely to have received GAM livelihoods assistance. Around eight percent of former combatants received some form of tsunami recovery aid (Table 5.5).

### ***Male and female-headed households***

The concern that female-headed households are in a weaker position to apply for and receive post-conflict assistance is not supported by the MSR findings. Households headed by women have been more likely to have received most forms of assistance than those headed by men (Figure 5.7). Given that female-headed households tend to be poorer and more marginalised than male-headed households, this represents a significant targeting success. One significant exception has been BRA housing: virtually no eligible female-headed households have received such assistance.

The concern that female-headed households are in a weaker position to apply for and receive post-conflict assistance is not supported by the MSR findings.

**Figure 5.7: Eligible Male and Female-Headed Households: Assistance Received**



Source: ARLS. BRA housing difference is significant at 99% level. Tsunami assistance is significant at 95%.

The amount of assistance for tsunami reconstruction in Aceh is fifteen times larger than that provided for direct reintegration and peace-building.

### 5.3 The Impact of Tsunami, Development and Pre-MoU Assistance on Conflict Recovery

Tsunami reconstruction and local government development projects have also addressed post-conflict needs in Aceh. The following section discusses these funds that conceivably have had peace-building impacts.

#### Tsunami Assistance and Conflict Recovery

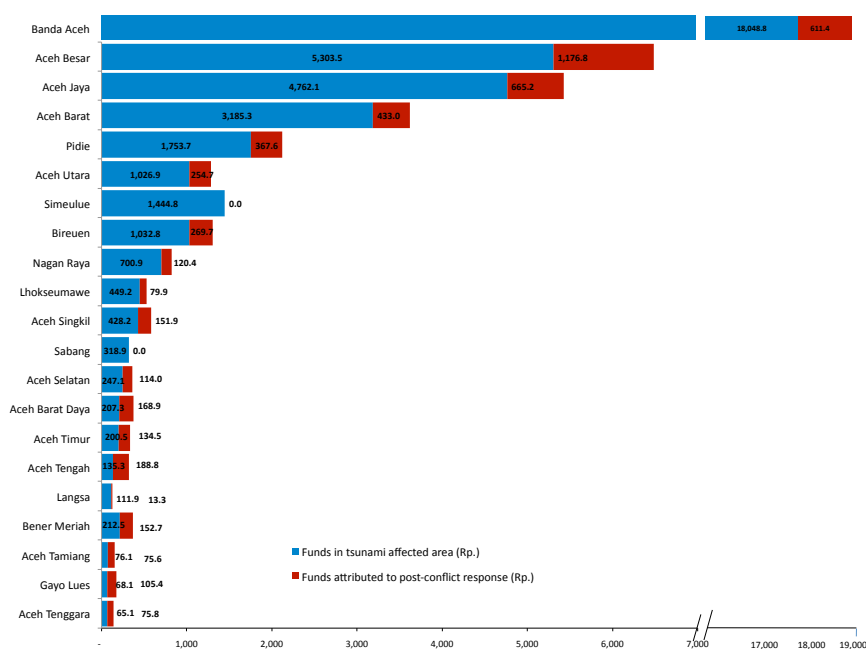
The amount of assistance for tsunami reconstruction in Aceh is fifteen times larger than that provided for direct reintegration and peace-building: Rp. 59 trillion (US\$ 5.9 billion)<sup>92</sup> versus Rp. 3.7 trillion (US\$ 365 million). Much tsunami assistance deliberately avoided targeting conflict-affected groups and regions.<sup>93</sup> Nevertheless, some of these programs have operated in areas that were affected by the conflict and so may have supported reintegration and peace-building. The MSR estimates that at least Rp. 5.3 trillion or US\$ 529.5 million (nine percent) of tsunami assistance has indirectly addressed needs in post-conflict areas (Box 5.3). This is substantially more than the total amount of funds for direct peace-building programs.

There are several districts that were severely affected by the conflict, which suffered relatively minor damage from the tsunami, but where, nevertheless, some tsunami assistance has flowed. In these areas, tsunami recovery programs have conceivably had a peace-building impact.

In Pidie, Rp. 367.6 billion (US\$ 36.8 million) of tsunami reconstruction money can be categorised as indirectly supporting peace-building (Figure 5.8). In Bireuen, Rp. 269.7 billion (US\$ 27.0 million) supported peace-building. Other districts where tsunami recovery programs have made a significant indirect contribution to post-conflict peace-building include Aceh Utara (Rp. 254.7 billion or US\$ 25.5 million), Bener Meriah (Rp. 152.7 or US\$ 15.3 million) and Aceh Timur (Rp. 134.5 billion or US\$ 13.4 million).

Although less affected by the conflict, Aceh Jaya, Banda Aceh, and Aceh Barat received significant amounts of tsunami assistance which also contributed to reintegration and peace-building (Rp. 665.2 billion or US\$ 66.5 million, Rp. 611.4.8 billion or US\$ 61.1 million and Rp. 433.0 or US\$ 43.3 million, respectively).

**Figure 5.8: Tsunami Aid as Indirect Reintegration and Peace-Building Support**



Source: The Aceh Peace Process Stock-Take, MSR.

## The Contribution of Government Development Programs to Peace-Building

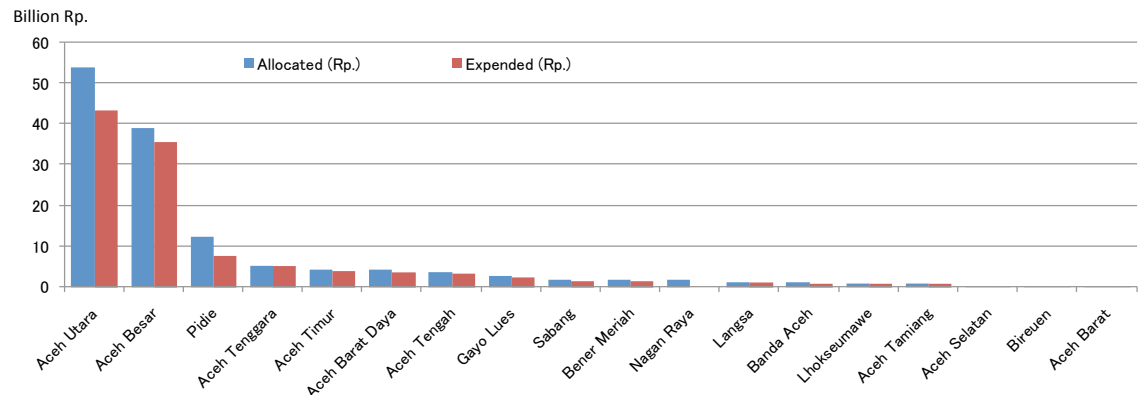
Many district governments in Aceh have strategies in support of peace but local funding has been minimal. The Pidie Government's vision is to support the 'creation of sustainable peace in Pidie District as a foundation for future regional development on the basis of improved welfare of its people and in the context on living as one, worship, self-respect and community consultation.' Its mission statement similarly pronounces the aim, 'to realize the preservation of peace especially in Pidie district and in the province in general'.<sup>94</sup> Funding from the Pidie Government is just under Rp. 10 billion (US\$ 1 million) (Figure 5.9).

Local government support for the peace process has several advantages. First, it can build trust between local government and former conflict actors and conflict victims. Second, it can enable more localised and specialised approaches to reintegration and peace-building. Third, it can facilitate the mainstreaming of reintegration and peace-building programs into general development budgets, crucial for the sustainability of the peace process (see Chapter Eight). District governments have implemented a range of programs under the banner of development, governance and culture that have to varying degrees supported the peace process. Programs have tended to be small. For example, in Aceh Utara in 2006 the district government implemented a program to socialise the Helsinki MoU in 22 sub-districts valued at Rp. 327.8 million (US\$ 32,780).<sup>95</sup> In Aceh Barat Daya, in 2005 the district government implemented a Rp. 184.0 million (US\$ 18,404) economic empowerment program for conflict widows and victim mothers.<sup>96</sup> Other main types of support from district governments include assistance to the disabled, to people suffering from trauma, and the rehabilitation of infrastructure in non-tsunami affected areas or under the heading of conflict recovery assistance.

It is estimated that between 2005 and 2007, Rp. 135 billion (US\$ 13.5 million) of development and other funds from district governments indirectly contributed to reintegration and peace-building.<sup>97</sup> Aceh Utara and Aceh Besar stand out as the two local governments contributing the most for reintegration and peace-building (Figure 5.9).



**Figure 5.9: District Government Allocations and Expenditure for Indirect Reintegration and Peace-building Assistance per District**



Source: The Aceh Peace Process Stock-Take, MSR

Two of the national government's flagship development processes are *Musrenbang* (*Musyawarah Perencanaan Pembangunan* or Participatory Development Planning) and the National Program for Community Empowerment or *Program Nasional Pemberdayaan Masyarakat Mandiri* (*PNPM Mandiri*).

Many district governments in Aceh have strategies in support of peace but local funding has been minimal.

*Musrenbang* is a national development planning system which utilizes a 'bottom-up' local participatory planning process of consultations from the village to national levels to determine development policies at every tier of government. While it is a national process, it is believed to be poorly implemented in Aceh and so far contributed little to the peace process. In other former conflict areas of Indonesia, namely Maluku, North Maluku and Central Sulawesi, *Musrenbang* has been used as a vehicle to mainstream peace-building in to government development

planning.<sup>98</sup>

*PNPM Mandiri* is a national program that aims to reduce poverty and create jobs by implementing community empowerment with the objective of increasing community capacity and self-help in a participatory manner with communities being the main actor in the process. It has had more success in Aceh and was the platform from the BRA-KDP program (Box 5.6).<sup>99</sup>

#### Box 5.9: Provincial Government Support for Children

The provincial government has also undertaken a number of development assistance programs that target vulnerable groups including conflict victims. One example is the Transitional Scholarship for Aceh Children, which targets orphans and is funded by the provincial budget.<sup>100</sup> The government estimates that there are over 114,000 orphans in Aceh of which eight percent were orphaned due to conflict. Of this 8,708 were orphaned from a parent being lost in the conflict and 789 were orphaned due to poverty resulting from conflict, respectively.<sup>101</sup> In 2008 families of approximately 80,000 children received Rp. 1.8 million (US\$ 180) for each child. The program is expected to assist 100,000 children in 2009. Ensuring that children conflict victims receive a good education is one way to curtail grievances being passed on to the next generation.



## Government Pre-MoU Conflict Recovery Assistance

Prior to the MoU, the government repaired and replaced conflict-damaged infrastructure, including housing, valued at Rp. 1.3 trillion (US\$ 126.2 million).<sup>102</sup> Twelve percent of the total damage was addressed by these programs. The main focus of the government's efforts prior to the MoU was on housing with 21,146 units built, valued at Rp. 532.1 billion (US\$ 53.2 million). Over 500 km of roads were repaired, at a cost of Rp. 161.2 billion (US\$ 16.1 million); 54,000 hectares of rice and other fields were rehabilitated, valued at Rp. 171.2 billion (US\$ 17.1 million); and more than 600 schools were repaired or rebuilt at a cost of Rp. 131.8 billion (US\$ 13.2 million).

Other pre-MoU government programs run by *Kesbanglinmas* supported former combatants who had surrendered or been captured and formally renounced GAM. However, while this assistance was surely significant in monetary terms, data for these programs is not available. The programs mainly consisted of re-education to draw the recipients away from GAM and cash assistance to support reintegration. *Dinsos* also provided assistance to IDPs and other conflict victims during the conflict.

### 5.4 The Remaining Gap between Assistance and the Cost of Conflict

In sharp contrast to the tsunami reconstruction effort, there is currently a gap between the cost of the conflict and the total amount of assistance for conflict recovery and peace-building to date. Filling this gap completely with direct peace building assistance is neither feasible nor desirable. Furthermore it is important to note that this gap will be more than adequately addressed through the government's commitments for Special Autonomy Funds outlined in Section 5.5.

Many of the losses, in particular, will be more effectively addressed through growth and broad-based development in the province than through the targeted use of public or donor resources (Chapter Six). Addressing high priority needs, mainstreaming conflict sensitivity into development programs, and developing strategies to reinvigorate Aceh's economy will be crucial if peace is to sustain and Aceh is to prosper. The Special Autonomy Funds will be an important vehicle to achieve this together with increased conflict sensitivity in normal development budgets for the line ministries.

Total commitments to direct and indirect reintegration and peace-building assistance post-MoU is Rp. 9.0 trillion (US\$ 895.1 million). Adding to this the pre-MoU amount of Rp. 1.3 trillion (US\$ 126.2 million), the total amount of assistance for conflict recovery becomes Rp. 10.2 trillion (US\$ 1.0 billion). While this is a substantial figure, it is still nearly Rp. 2 trillion (US\$ 200 million) short of the conservatively-estimated amount needed to repair or replace conflict damage alone.

The combination of damage and recoverable losses amount to Rp. 60.8 trillion (US\$ 6.1 billion). Assistance,



*BRA Head, Nur Djuli writing a message of peace at a peace concert.*

including commitments, amounts to only 16.8 percent of total recoverable costs. When considering the total cost of the conflict, including sunk costs, assistance covers only 9.5 percent. However, this gap will be filled by long-term peace-dividends from the peace process (Section 5.5).

### Where is the Gap Greatest?

Despite most assistance going to the four most impacted districts, the gap between assistance and recoverable costs in those districts still remains the largest. Aceh Utara, Aceh Timur, Pidie and Bireuen have received assistance which meets only 6.8 percent, 5.7 percent, 8.7 percent and 10.9 percent of the recoverable costs of conflict, respectively (Table 5.6). This is well below the provincial average of 14.7 percent. The gap is also large in Lhokseumawe city, Aceh Selatan, Bener Meriah, Aceh Tengah, Nagan Raya and Aceh Tamiang, all moderately impacted by the conflict. Only in Banda Aceh has direct and indirect post-conflict support amounted to more than the total of conflict recovery needs.

**Table 5.6: Assistance Against Recoverable Costs per District**

District	Conflict Recovery Assistance (Billion Rp.)	Total Damage & Recoverable Loss (Billion Rp.)	Assistance against Damage/Recoverable Loss (%)
Aceh Utara	788	11,655	6.8
Aceh Timur	530	9,366	5.7
Pidie	760	8,767	8.7
Bireuen	735	6,758	10.9
Aceh Selatan	374	3,838	9.7
Bener Meriah	474	2,950	16.1
Aceh Tengah	382	2,399	15.9
Lhokseumawe	154	2,000	7.7
Aceh Besar	1,350	2,736	49.3
Aceh Tamiang	172	1,878	9.1
Aceh Jaya	791	1,646	48.0
Aceh Barat	530	1,616	32.8
Nagan Raya	187	1,384	13.5
Aceh Barat Daya	249	1,081	23.0
Aceh Tenggara	182	807	22.6
Aceh Singkil	196	618	31.7
Banda Aceh	828	449	184.4
Gayo Lues	211	369	57.1
Langsa	36	154	23.6
Simeulue	5	244	2.2
Sabang	16	32	48.4
<b>Total</b>	<b>8,951</b>	<b>60,750</b>	<b>14.7</b>

Source: The Aceh Peace Process Stock-Take, MSR.



## 5.5 Peace Dividend Revenue

While present gaps are large, sufficient local government resources are in place to address them. Based on Law No. 18/2001 on Special Autonomy for Nanggroe Aceh Darussalam and Law No. 11/2006 on the Governing of Aceh or LoGA, Aceh is expected to receive 78.6 trillion (US\$ 7.9 billion) in additional revenue from the central government through to the end of 2027. This is to be used for infrastructure, economic empowerment, education, social, and health programs (discussed in more detail in Section 8.2). The value of this extra revenue alone is more than the total cost of conflict at the provincial level (i.e. not including costs at the national level). If peace building assistance to date is also considered, the total value is 130 percent of the cost of conflict at the provincial level, clearly showing that there is an opportunity for conflict-affected Aceh to build back better.

While this represents a substantial peace dividend, in that it is a direct benefit of the current peace process and an earlier attempt to quell the conflict through the implementation of greater autonomy, it does have its limitations. The autonomy funds are for all of Aceh, including areas that were less affected by conflict. Nevertheless, if funds can be used in ways that address important post-conflict needs, and which do so in a conflict sensitive ways, there is a potential that they can play a significant role in ensuring peace endures. Conversely, if funds are misused, they may lead to new tensions and disenchantment.

## 5.6 More to be Done

Despite almost Rp. 10 trillion (US\$ 1 billion) of assistance for conflict recovery in Aceh, time, long term funding and sound economic management will be needed to rebuild Aceh's economy. The additional special autonomy revenues provide an excellent opportunity to address long-term grievances related to the conflict and build Aceh back better, but they will have to be managed properly. The Aceh people will also have to be patient, as rebuilding an economy and society ravaged by the tsunami and 29 years of conflict will still take time.

Despite most assistance going to the four most impacted districts, the gap between assistance and recoverable costs in those districts still remains the largest.

Priority regions are the east coast districts of Aceh Utara, Aceh Timur, Pidie (including Pidie Jaya) and Bireuen, where the conflict was most intense, and the greatest damage and loss incurred. Compensating all victims for all damages and losses is neither possible nor desirable if Aceh is to develop in the medium to long term. The following chapters offer some ideas on how programs can support the consolidation of peace and development in Aceh.



*A women's meeting to discuss community based assistance for women in Pidie.*







# 6

## Livelihoods, Poverty and the Economy

Growing prosperity is necessary if peace in Aceh is to be sustainable. Aceh's underdevelopment was a major driver of the war. Both civilians and combatants supported the peace process believing that economic opportunities would improve in the absence of conflict. If Aceh's economy does not grow, or if growth does not benefit ordinary Acehnese—especially former combatants and conflict victims—the chances of conflict resuming will increase.



This chapter reviews progress in key economic issues such as poverty, income, growth, employment and asset accumulation. It looks at changes since the Helsinki MoU, how they have benefited different groups, and then outlines remaining challenges. The chapter considers the extent to which reintegration programs have improved the welfare of combatants and civilians. It draws on data from the ARLS, qualitative case study research, and secondary economic data.

Key findings include:

- Nearly all groups have benefited from Aceh's post-conflict economic recovery—particularly from renewed growth in the agriculture sector and in small-scale trade.
- Former combatants are, on average, less wealthy and have lower incomes than the civilian population at large, even though they have higher rates of employment.
- Most former combatants and ex-political prisoners have returned to occupations they held prior to joining the insurgency—mainly farming and agricultural wage labour.
- Since the conflict ended, certain groups, particularly former TNA commanders, have accrued wealth more rapidly than others.
- Reinsertion assistance to former combatants and amnestied political prisoners has had little impact on the economic status of recipient households.
- Few services or programs provide skills training or business development assistance to former combatants, political prisoners or conflict victims.
- Few school-age former combatants or amnestied political prisoners have resumed their studies since the conflict ended.
- Economic growth in Aceh over the past three years has largely been a result of the massive influx of tsunami reconstruction aid. As the reconstruction period draws to a close, employment opportunities in the construction and service sectors have dwindled.



- Although inflation has flattened, high living costs combined with a high minimum wage have undermined households' ability to save and invest, and impeded the attraction of the investment needed to generate jobs.
- Despite a concerted effort by provincial and local governments and numerous donor-supported programs aimed at creating a conducive business climate, investment in Aceh remains minimal.
- Oil and gas revenues are declining, but this income is being replaced by a sharp increase in special autonomy fund allocations. This provides governments in Aceh with significant opportunities to improve service delivery and enhance economic development in the province.

## 6.1 Livelihoods, Income and Assets

### Employment

The MSR finds low and falling rates of unemployment in Aceh. Male and female unemployment is two and one percent respectively—much lower than the official provincial rate of nine percent.<sup>103</sup> Men are far more likely to be in full-time employment than women (Figure 6.1).

**Figure 6.1: Comparing Work Situations: Men and Women**



Source: ARLS.  
Differences in 'Full time employment' and 'Some part-time work' significant at 99%; 'Unemployed' significant at 90%.  
Housewife category excluded.



### *How many former combatants are working?*

In post-conflict contexts, former combatants typically face challenges integrating into the workforce because of a lack of skills, wariness from employers or reluctance to work.

The ARLS, however, found that former combatants in Aceh are significantly more likely to be employed than non-combatants. As Table 6.1 shows, male and female ex-combatants are respectively seven and sixteen percent more likely to be in full-time employment than civilians, and are two and one percent less likely to be unemployed. Ex-TNA officers are one percent more likely to be unemployed than non-officers and seven percent less likely to have full-time employment.<sup>104</sup> However, higher than average incomes for officers suggest that they are receiving income from other sources than employment (see Figure 6.8).

**Table 6.1: Employment for Combatants and Civilians**

Employment Situation (%):	Men			Women†		
	Ex-TNA (n=1024)	Civilians (n=1794)	Comparing Ex-TNA to Civilians	Ex-TNA (n=29)	Civilians (n=1237)	Comparing Ex-TNA to Civilians
Full time employment	85	78	7**	45	28	16
Consistent part-time work	6	6	0	7	5	2
Some part-time work	6	4	3**	14	6	8
Unemployed	1	3	-2	0	1	-1**
Student	0	5	-5***	0	4	-4***

Source: ARLS.

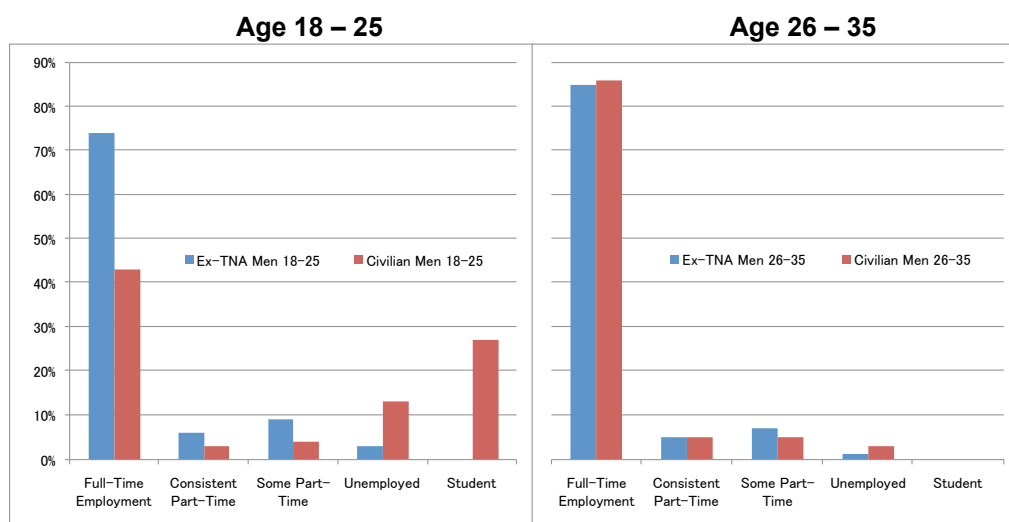
\*\*\* Significant at 99%; \*\*Significant at 95%; \* Significant at 90%

† Not representative of all Aceh.

Livelihoods reported as the primary activity by at least 3 percent of the population included.

Younger male ex-combatants (18-25 years) are 31 percent more likely to hold full-time employment, and are ten percent less likely to be unemployed, than their civilian counterparts. Within older age groups, however, these discrepancies disappear (Figure 6.2).

**Figure 6.2: Comparing Work Situations: Ex-TNA and Civilians**



Source: ARLS.

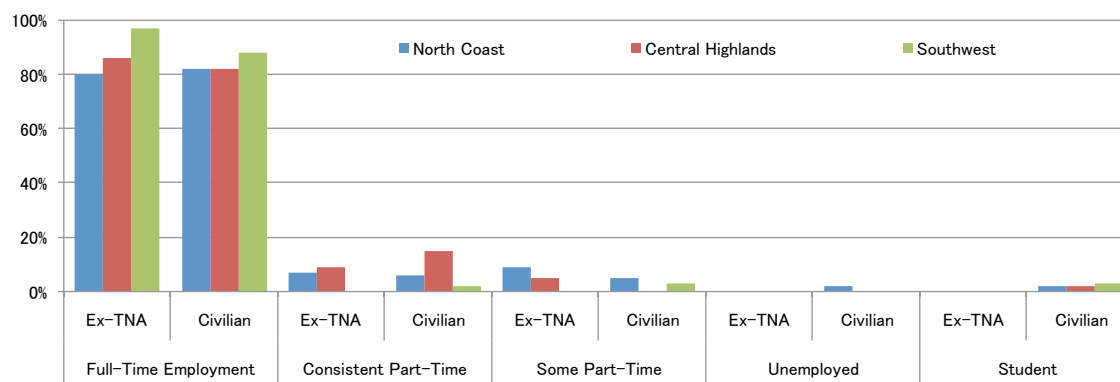
The ARLS found that virtually no ex-combatants were in school compared to five percent of adult male civilians (27 percent of male civilians between the ages of 18 and 25) and four percent of female civilians.<sup>105</sup> Ex-TNA have higher levels of primary and junior high school education than civilians, but probably interrupted their schooling to join the fight and have not resumed their studies.<sup>106</sup>

The high employment figure for former combatants is in stark contrast to the situation in the first year after the MoU, when—as outlined in the 2006 GAM Reintegration Needs Assessment—only 25 percent of former combatants were working.<sup>107</sup> The new findings thus show tremendous progress in this key dimension of economic reintegration and suggest there may now be less of a need for programs targeted at boosting employment among former fighters. Reasons for this progress are explored below.

In the central highlands and the southwest of Aceh ex-combatants are more likely to be employed than civilians (Figure 6.3). In the northern coastal districts, ex-combatants are only slightly less

likely to have full-time employment than civilians, although the numbers of unemployed are still small. This suggests that livelihood and employment generation initiatives should therefore not be specifically targeted at ex-combatants as a group.

**Figure 6.3: Ex-TNA and Civilian Employment by Region**



Source: ARLS.

Together, four districts (Bireuen, Pidie, Aceh Besar, and Aceh Timur) account for nearly 85 percent of the total number of unemployed or underemployed former combatants in the province. The districts of Bireuen and Pidie are home to over half of this group (28 and 27 percent, respectively), followed by Aceh Besar (17 percent).<sup>108</sup>

### ***How are victims doing?***

Civilian conflict victims, particularly males, are doing better than non-victims in terms of employment (Table 6.2).<sup>109</sup> This may be because people who were employed during the conflict were more likely to be targeted or possibly that non-victims are more likely to be students. However, the data indicate that employment-creating programs that prioritise conflict victims may miss many non-victims in need of such assistance.

There is also a significant educational gap among males, with civilian conflict victims in the 18 to 25 age bracket being 25 percent less likely than their non-victim counterparts to be in school. Conversely, female conflict victims in the same age bracket are eight percent more likely to be students than are non-victims.<sup>110</sup>

...the data indicate that employment-creating programs that prioritise conflict victims may miss many non-victims in need of such assistance.

**Table 6.2: Employment for Conflict Victims and Non-Victims**

Employment Situation (%):	Civilian Men			Civilian Women†		
	Victims (n=764)	Non-Victims (n=1030)	Comparing Victims to Non-Victims	Victims (n=474)	Non- Victims (n=763)	Comparing Victims to Non-Victims
Full time employment	87	73	14***	31	27	4
Consistent part-time work	2	9	-6***	4	5	-1
Some part-time work	3	4	-1	7	6	1
Unemployed	3	3	0	0	1	-1
Student	2	7	-5**	6	4	2

Source: ARLS. \*\*\* Significant at 99%; \*\*Significant at 95%; \* Significant at 90%

† Not representative of all Aceh.

## Forms of Livelihoods

### *What are former combatants doing?*

Thirty-nine percent of male combatants in full or part-time employment have jobs in the agricultural sector, 19 percent are non-agricultural daily labourers and nine percent work as traders (Table 6.3).

Most ex-combatants appear to have returned to their pre-GAM occupations. Of the combatants surveyed in the 2006 GAM Needs Assessment, 30 percent had been farmers, 23 percent traders, ten percent students and eight percent fishermen.<sup>111</sup> The greatest exception is former students, almost none of whom have resumed their studies.

Former combatants are now more likely to be working in agriculture than civilians, and less likely to work as traders or in the public sector (Table 6.3). As agriculture will be a major driver of future growth in Aceh (see discussion below) this could suggest that former combatants will have greater opportunities than other groups (although, the World Bank's Aceh Poverty Assessment 2008 notes that households that predominately work in agriculture often experience higher poverty levels).<sup>112</sup> A majority (79 percent) of former combatants interviewed in 2006 said they wanted to shift to trading.<sup>113</sup> Very few have made this transition, which could create problems in the future, if their frustration leads to resentment.

While former combatants are more likely to be employed, their average income is about two percent below that of male civilians.

### *What are conflict victims doing?*

Occupational differences between civilian conflict victims and non-victims are minimal. Male victims are slightly more likely than non-victims to be paddy farmers and agricultural labourers, and less likely to be traders (Table 6.3).

**Table 6.3: Types of Livelihood**

Type of Livelihood (%):	Men			Women†		
	Ex-TNA	Civilians	Comparing Ex-TNA to Civilians	Ex-TNA	Civilians	Comparing Ex-TNA to Civilians
	(n=1,024)	(n=1,794)		(n=29)	(n=1,237)	
<b>Agriculture</b>						
Paddy farming	22	17	6***	16	24	-8
Vegetable/spice farming	5	3	2	0	2	-2**
Coffee farming	2	4	-2	0	3	-3
Agricultural daily wage labour	10	6	4***	21	16	5
<b>Private Sector</b>						
Trader	9	13	-4	16	13	2
Private sector employee	3	4	-1	0	1	-1
Non-agricultural daily wage labour	19	18	1	21	10	11
<b>Public Sector</b>						
Teacher	0	2	-2***	5	8	-2
Civil servant	1	4	-4***	5	5	0
<b>Other</b>						
Other skilled	3	4	-1	11	7	4
Other unskilled	4	3	1	0	2	-2

† Not representative of all Aceh.

Source: ARLS. \*\*\* Significant at 99%; \*\*Significant at 95%; \* Significant at 90%

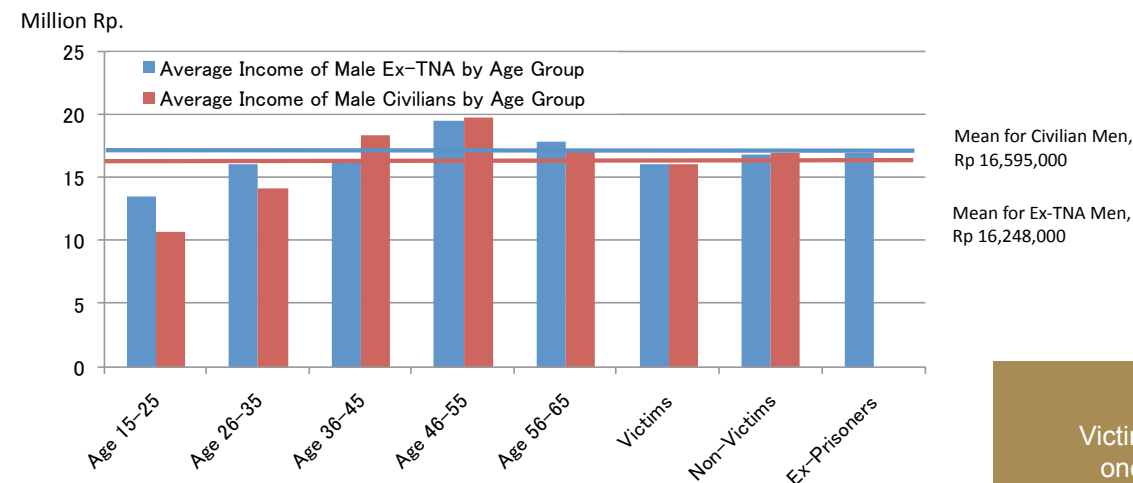
Livelihoods reported as the primary activity by at least 3 percent of the population included.

## Income

### How does age and conflict status affect income?

While former combatants are more likely to be employed, their average income is about two percent below that of male civilians (Rp. 16.2 million and 16.6 million, respectively). Within both the ex-combatant and civilian populations, there are considerable differences in income across age groups (Figure 6.4).

**Figure 6.4: Average Annual Income: Male Ex-TNA and Civilians**



Source: ARLS.

Differences in income in the 46-55 age group (the highest income group) are negligible. In the 36-45 age bracket, however, civilian earnings are ten percent above those of ex-combatants (Rp. 18,371,000 and 16,523,000, respectively). In contrast, the incomes of male ex-combatants aged below 35 are on average considerably higher than their civilian counterparts, largely because more in the latter group are currently in school. Civilian men aged between 26 and 35 earn far less than older men, whereas the incomes of ex-combatants in this age group are nearly on par with the overall average income for ex-combatant males (civilians: Rp. 14,121,000; ex-combatants: Rp. 16,004,000).

Victims earn, on average, only one percent less than non-victims. This is true of both ex-combatant and civilian conflict victims.

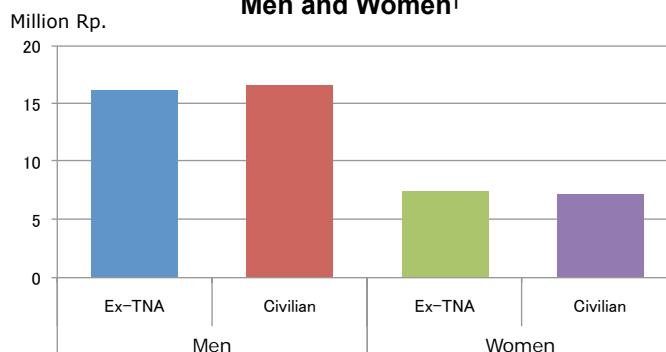
### What are conflict victims earning?

Victims earn, on average, only one percent less than non-victims. This is true of both ex-combatant and civilian conflict victims.

### Gender disparities in income

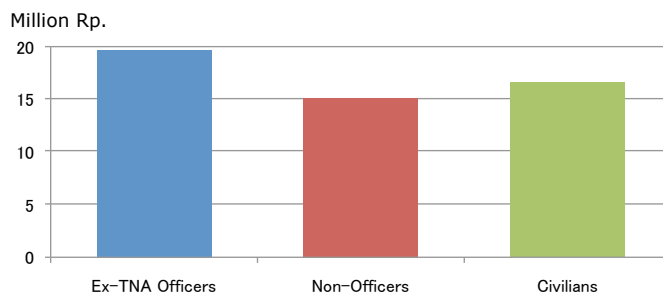
Women's reported average income is far below that of men. Female ex-combatants' average annual earnings are a mere Rp. 7,529,000, or just 46 percent of average male ex-combatants' earnings. Civilian females earn slightly less (Rp. 7,272,000) (Figure 6.5).

**Figure 6.5: Average Income: Men and Women†**



Source: ARLS. † Not representative of all Aceh.

**Figure 6.6: Average Income: Ex-TNA Officers, Non-Officers and Civilians**



Source:ARLS.

#### ***Ex-officers and rank-and-file***

Former TNA officers' reported average income, at Rp. 19,695,000, is 23 percent higher than that of non-officers, and nearly 16 percent higher than that of male civilians (Figure 6.6).

### ***The link between employment and incomes***

Some of these data appear to contradict the findings on employment. Both ex-TNA combatants and conflict victims have considerably higher levels of full-time employment and lower unemployment than their civilian and/or non-victim counterparts. Yet average incomes for both these groups are lower than for civilians and/or non-victims. Differences in trades and professions partly account for this. Fewer ex-combatants than civilians are employed in skilled roles, such as traders or civil servants. More work as day labourers.

#### **Assets**

A third measure of welfare is household assets. The ARLS includes assets measures that allow for assessments of differences between groups and changes in holdings over time (Box 6.1).



#### **Box 6.1: Measuring Assets**

In order to capture a measure of household wealth, the MSR recorded the quantity of various types of assets in a household. These assets included consumer electronics, large household items, vehicles, commercial machinery, and livestock. Current market prices of the items were surveyed. Researchers then constructed a household wealth index based on the prices of items (if purchased new) and the quantity recorded. In essence the wealth index is the sum of the product of prices and quantity of items recorded for each household.

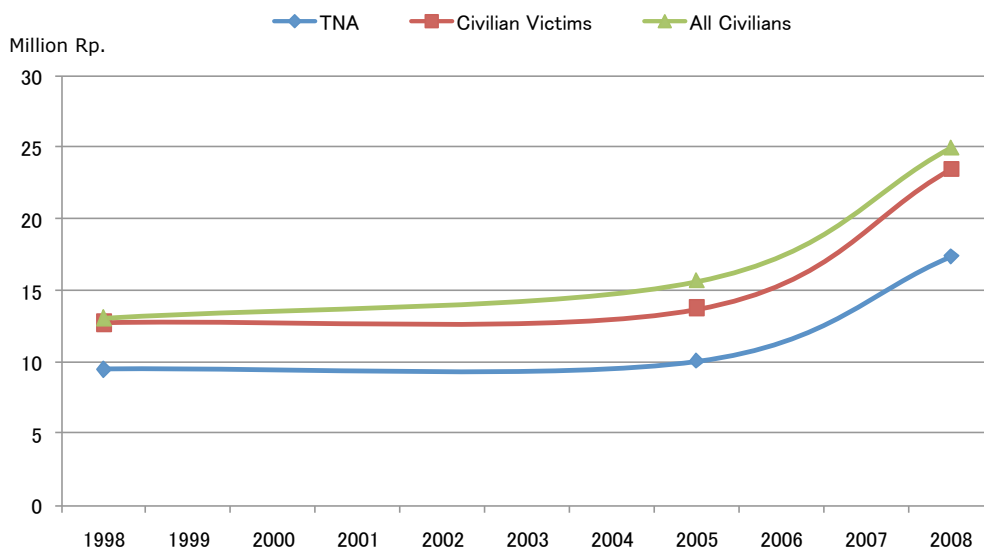
Both combatant and non-combatant households have seen a rise in assets since the Helsinki agreement in 2005 (Figure 6.7). Combatants in 1998 were generally poorer than civilians, suggesting the poor were more likely to join GAM than others, or that being a combatant made it harder to accumulate assets. The asset gap increased until 2005: of ex-combatant groups, officers, political prisoners and women all experienced a decline in assets between 1998 and 2005, although rank-and-file TNA males (the largest group in the survey) experienced a slight increase in assets, roughly similar to that of the population at large. Since the end of the conflict, the assets of former combatants have increased by an average of 72 percent, while average civilian household assets have increased by 54 percent.

This higher rate of asset accumulation by ex-combatants should be considered in the light of their lower asset base in 2005. In real terms, civilian households have shown higher asset gains (Rp. 8,539,000 for civilians and Rp. 7,325,000 for ex-combatants). Former combatants still lag



behind the civilian population in terms of average household asset holdings by around 30 percent (figures are Rp. 17,426,000 and Rp. 24,370,000, respectively).<sup>114</sup> Civilian conflict victims have fared relatively well since the end of the fighting in 2005: by 2008, civilian ex-victims' household asset levels had nearly converged with those of non-victim civilian households.

**Figure 6.7: Changes in Assets Over Time: Male TNA, Civilians and Civilian Conflict Victims**



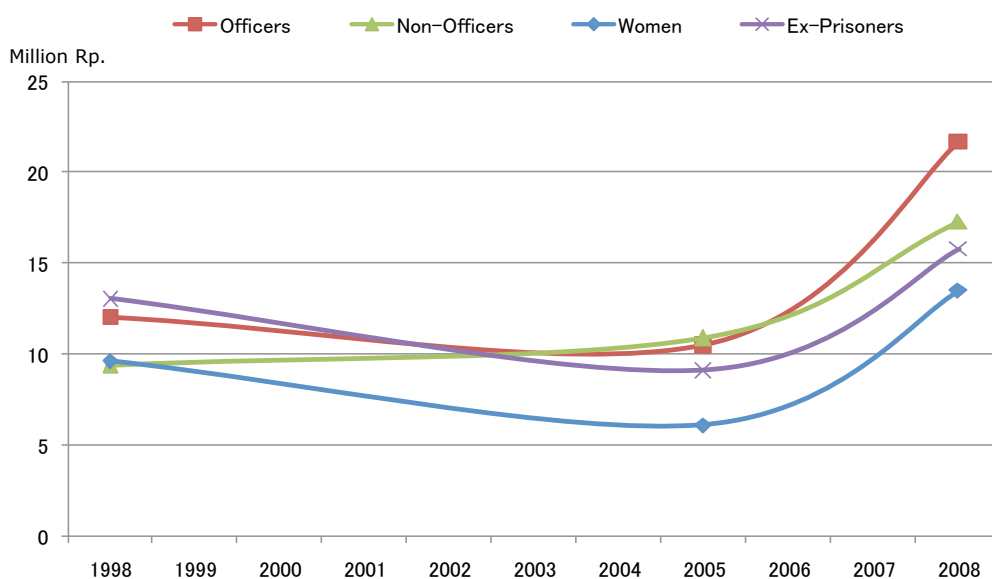
Source: ARLS.

Note: the lines in this figure are based on data from three time points: 1998, 2005 and 2008.

The actual shape of the growth curves may vary slightly.



**Figure 6.8: Changes in Assets Over Time: TNA Officers, Non-Officers, Female Combatants and Ex-Prisoners**



Source: ARLS.

Note: the lines in this figure are based on data from three time points: 1998, 2005 and 2008.

The actual shape of the growth curves may vary slightly.

### **Differences in asset accumulation among former combatants**

Ex-TNA officers have accumulated assets more rapidly than other TNA groups, indeed faster than the general population. Since 2005, ex-TNA officers' assets have increased by an average of 108 percent to the point that they are approaching parity with the civilian average (Rp. 21,703,000, compared to Rp. 24,370,000)—Figure 6.8. Since the Helsinki MoU, however, former rank-and-file combatants have accumulated assets at a slower rate (58 percent) than other ex-combatant groups, comparable to that of civilian men (54 percent), although still considerably lower in absolute terms. They have seen asset increases of Rp. 6,364,000, compared to Rp. 8,539,000 for civilians.<sup>115</sup>

Female ex-combatants and ex-prisoners have also seen significant increases in asset holdings since the signing of the Helsinki MoU: 108 and 73 percent, respectively. This may be because they are more likely to have received multiple forms of reintegration assistance than other groups. However, because they were considerably poorer than other ex-combatant groups in 2005, both groups still lag behind in absolute terms. Former political prisoners were, in general, slightly better off than other ex-TNA groups in 1998 (prior to their incarceration), but experienced the greatest decline in wealth during the following eight years. As a result, despite asset increases since the Helsinki MoU, they still lag behind other ex-combatant groups.

The overall increase in household assets is a welcome sign of the positive impact of Aceh's economic recovery since the end of the conflict. However, the widening gap between the fortunes of ex-officers and non-officers represents a potential source of friction among former combatants (see Box 6.2).

Ex-TNA officers have accumulated assets more rapidly than other TNA groups, indeed faster than the general population.

#### **Box 6.2: Combatants to Contractors**

*'...There are a few who are arrogant, and we can't bear to think about it. Their desire can't be suppressed; it's their own private affair. This happens naturally in Aceh because there's money scattered about but not enough for everyone. Those who used to have access are now angry because they don't have it now, and those who have access now have become conceited.'*

– Ex-TNA combatant from Lhokseumawe<sup>116</sup>

Since the end of the conflict in 2005, Aceh has witnessed the dramatic transformation of former GAM leaders into businessmen, particularly in construction contracting.<sup>117</sup> As such, they have managed to parlay their newly acquired political legitimacy into membership of the tight-knit realm of politicians, bureaucrats and businesspeople who control one of the most lucrative—and 'dirty'—sectors of the regional economy.

In Indonesia, as in many other developing countries, the construction industry is a crucial lynchpin connecting business and politics, operating as a sort of 'shadow economy' characterised by collusive and predatory behaviour, where connections and power often hold more sway than competence or performance. Widespread corruption leads to shoddy standards and substandard buildings and infrastructure.

In post-conflict situations, the construction business can serve as a handy arena to hand out 'peace dividends' to former combatants, thus buying a measure of political, economic and social stability—in the short run, at least. In the longer term, the 'transformation of a clandestine war economy into a post-war criminalised economy'<sup>118</sup> has the potential to have deleterious effects on peace, as it undermines post-conflict development and impedes delivery of services and broad-scale economic recovery.<sup>119</sup>

For many former combatants, with few practical business or technical skills, contracting work is an obvious post-conflict career choice. Winning tenders is often more a function of political muscle and connections than experience, skills or capacity in construction. Indeed, most GAM contractors' actual involvement in the process is not far different from their role in the business practices—such as *pajak nanggroe*<sup>120</sup>—used to fund GAM during the conflict. Many contracts are awarded to ex-GAM regional commanders – with major projects going to top commanders, district-level projects to *Panglima Wilayah*, smaller works to *Panglima Daerah* or *Panglima Sagoe*—more-or-less in accordance with their status and territorial responsibilities within the KPA hierarchy.

In some cases, these 'contractors' simply 'borrow' a company's name, then charge it a fee for winning the contract. Others win bids independently then sell the job to an established contractor. Some choose simply to provide 'security' to construction projects underway in their district or sub-district. In each case, contracting offers rapid access to large amounts of cash, as well as the opportunity to give out low-skill jobs to ex-combatants under their charge. Few are willing to challenge ex-combatant contractors for shoddy work or delays. This was regrettably evident with much of the post-tsunami housing built by KPA-affiliated contracting firms.

There is a danger that attempts to buy short-term peace by tacitly condoning such corrupt and exploitative behaviour may end up backfiring, by re-stoking the grievances that triggered conflict, and because groups or factions excluded from the 'buy-out' may eventually express their disillusionment violently.<sup>121</sup>



## 6.2 Who is Missing Out?

Some groups are missing out on many of the benefits associated with the onset of peace and, in some cases, pose a potential risk to sustainable peace.

### At-Risk Former Combatants

As noted above, former combatants generally have lower incomes and are accruing assets at a lower rate than the civilian population. In addition, particular groups of former combatants have fared worse than others, such as former combatants aged 31 to 40 (37 percent of total ex-combatants) who earn far lower incomes than their civilian counterparts at an age when they should be approaching peak earning power. The majority of former political prisoners fall into this group.

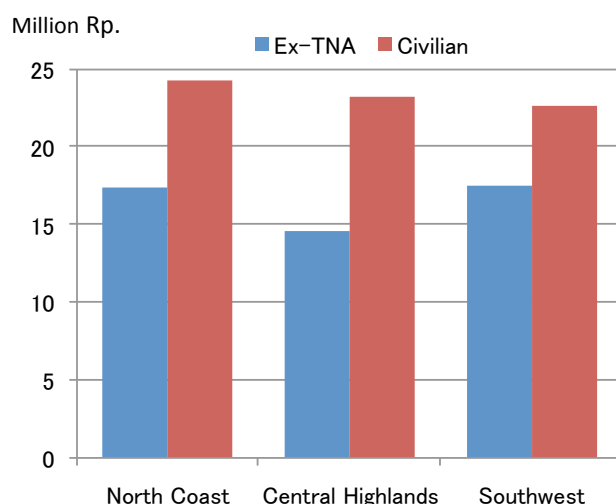
While a far higher proportion of young (15 to 25 year-old) former combatants are employed than their civilian counterparts, and have higher average earnings, this is because young former combatants have not returned to school. As this group ages, therefore, their incomes will likely be lower than civilians.

There are also regional disparities in former combatants' income and assets (Figure 6.9). Ex-combatants in the central highlands are considerably poorer than their comrades



A ceremony for the Aceh Coffee Forum in the highlands.

**Figure 6.9: Male Ex-TNA and Civilian Assets by Region**



Source: ARLS.

elsewhere. The gap between civilians' and former combatants' income and wealth is also more pronounced, particularly in the districts of Bener Meriah and Aceh Tengah. Other districts with high numbers of poor ex-combatant households include Pidie and Aceh Timur on the north coast, and Nagan Raya on the west coast.

As noted above, the greatest concentrations of unemployed or underemployed ex-combatants are found in the districts of Pidie, Aceh Besar, Aceh Timur, Bireuen and Aceh Utara. Although unemployment numbers are not strikingly high, special attention needs to be paid to out-of-work or underemployed ex-combatants, in particular in these districts.

On average households that have received reintegration assistance are faring no better than those that have not.

### Other Vulnerable Groups

Conflict IDPs and recent returnees are another vulnerable group with significant disparities between regions in the number of households and types of issues they face. The northern coast districts have the largest number of recent returnees and IDPs. Returnees have had an easier time assimilating and resuming productive activities in the north coast and south-western districts, than in the central highlands.

Female-headed households (nearly 15 percent of Aceh households) are a large and especially vulnerable population group (Table 6.4). The disparity is striking: on average, female-headed households own 25 percent fewer assets than male-headed households and cultivate 42 percent less land. Female heads of household earn 35 percent less income than male heads of household.<sup>122</sup>

**Table 6.4: Male and Female-Headed Households**

Poverty Measures, 2008	Female-Headed (n=599)	Male-Headed (n=3,511)	Comparing Male to Female-Headed
Household assets (mean) (Rp. '000)	17,633	23,918	6,285 **
Meters-squared of land farmed by household (mean)	4,765	9,460	4,695 ***
Share of houses made of concrete (%)	19	35	16 ***
Access to water from a clear or protected source (%)	55	60	6
Average income in male/female-headed households for:			
Civilian men	13,900	18,600	4,748
Civilian women†	12,100	5,778	-6,322 ***

Source: ARLS. \*\*\* Significant at 99%; \*\*Significant at 95%; \* Significant at 90%

† Not representative of all Aceh.

### 6.3 The Impacts of Reintegration Funds

Reintegration funds aim to address the needs of former combatants and conflict affected groups. As discussed in Chapter Five, at least Rp. 1.5 trillion (US\$ 149.6 million) of reintegration aid has been provided to former combatants, political prisoners and conflict-affected civilians. Has this aid significantly improved the welfare of those in need?

On average households that have received reintegration assistance are faring no better than those that have not (Figure 6.10 and Table 6.5). Among civilian victims' households, those who received no assistance have increased asset holdings at a considerably higher rate than households that did receive some support. Both groups (receiving and not receiving assistance) showed relatively similar levels of wealth in 2005 before the programs began.

Ex-TNA households that have received no assistance have also accrued assets more rapidly than those that have received assistance. This is despite the fact that among ex-TNA households, those who have received assistance were significantly better off in terms of value of household assets in 2005 (before reintegration programs started) than those who report receiving no assistance.

**Table 6.5: Household Welfare:  
Received and Not Received Assistance**

	Civilians†			Ex-TNA		
Household assets (mean) (Rp. '000)	HH received some assistance (n=183)	HH received no assistance (n=581)	Comparing HH which received/ did not receive assistance	HH received some assistance (n=494)	HH received no assistance (n=301)	Comparing HH which received/ did not receive assistance
Baseline 2005	13,723	13,533	190	11,491	8,408	3,083*
Current 2008	20,361	23,864	-3502	18,036	16,405	1,631
Difference (actual)	6,638	10,331	-3693**	6,545	7,997	-1,452

Source: ARLS. \*\*\* Significant at 99%; \*\*Significant at 95%; \* Significant at 90%

†Based on male respondents only for geographic representativeness.

This provides strong if not conclusive evidence at an aggregate level that assistance to former combatants has not been successful in targeting the most vulnerable ex-combatants, or in significantly improving the welfare of those who received support.

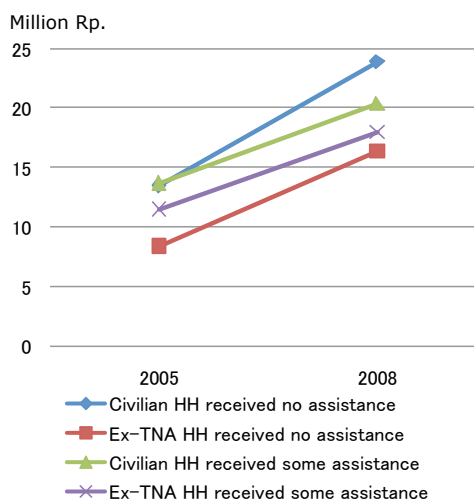
### 6.4 Reintegration into What? Poverty and Growth in Aceh

Economic reintegration has to a large extent been successful in Aceh. Former combatants and conflict victims have seen their incomes and assets rise. The vast majority of males in both these groups are now working. Although former combatants' income and assets remain below the average for the general population, they do not appear to be systematically disadvantaged.

However it must be asked, into what are these groups reintegrating? There are persistent high levels of destitution across Aceh, more than most other areas in Indonesia. Poverty in Aceh



**Figure 6.10: Household Welfare:  
Received and Not Received Assistance**



Source: ARLS.



*Makeshift IDP housing in the highlands.*

is primarily a rural phenomenon—30 percent of rural households in Aceh are living below the poverty line, compared to 14.7 percent in urban areas.<sup>123</sup> Given that rural areas saw the most fighting—and GAM recruitment and operations—during the conflict, addressing rural poverty is of primary concern for the peace process in Aceh.

In past decades, oil and gas revenues accounted for Aceh's high per capita GDP, but delivered few benefits to Acehnese communities. For example, in 2004 the oil-rich Aceh Utara district had a per capita GDP 2.6 times the national average, but 34.2 percent poverty, twice the national average. Perceptions that Jakarta was siphoning off Aceh's wealth without delivering services or economic development for local communities fuelled local resentment and contributed to the continuation of the conflict.<sup>124</sup>

Poverty levels have decreased since the end of the conflict, but remain higher than for most of Indonesia.

Reducing poverty and improving prosperity will require sustained economic growth. The past few years have seen a significant drop in poverty, but this has been driven by the immense infusion of tsunami reconstruction funds, and by the natural bounce the economy has experienced from war coming to an end. Increased government resources, if used well, can have a positive impact on future growth, poverty reduction and job creation. Yet it is unlikely that public sector-driven growth will be enough to sustain a growing Aceh. Private sector investment is necessary. If Aceh's economy does not grow, or if growth does not translate into improved fortunes for former combatants and other vulnerable groups, it is likely that resentment will again rise.

### **Poverty Since the Helsinki MoU**

Poverty levels have decreased since the end of the conflict, but remain higher than for most of Indonesia. The poverty rate in Aceh increased from 28.4 percent to 32.6 percent in the immediate aftermath of the tsunami, but due to the tremendous influx of international aid, quickly recovered to pre-tsunami levels with no significant difference between tsunami-affected and non-affected areas.<sup>125</sup> Nonetheless, poverty in Aceh, at 23.5 percent remains much higher than the national figure of around 16.5 percent.<sup>126</sup>

Poverty has declined more rapidly in conflict-affected than non-affected areas. Compared to a province-wide decline in people living in poverty of 2.04 percent between August 2005 and December 2007, the nine highest conflict-intensity districts experienced a decline of 2.26 percent.<sup>127</sup> Encouragingly, the decline in these areas has been driven by the resumption of agricultural production and trade—a spontaneous dividend of the peace.

### **Growth and the Structure of Aceh's Economy**

Growth in labour-intensive sectors such as agriculture, construction and manufacturing will have a large impact on poverty reduction.<sup>128</sup> Reductions in poverty levels in Aceh since 2005 have



been driven mainly by construction employment related to tsunami reconstruction. As the tsunami recovery effort draws to a close, so is this growth. By 2008, the construction sector in Aceh was stagnant or contracting (Table 6.6). Even with extra resources available to provincial and district governments (see Chapter Eight), it is unlikely that construction will again be a major driver of growth in the Acehese economy.

**Table 6.6: Economic Growth in Aceh 2003-08**

GDP Production Account Growth (%)						Share (%)		
Sector	2004	2005	2006	2007*	2008* 1 <sup>st</sup> half	2003	2007	2008 1 <sup>st</sup> half
Tradable								
Agriculture, forestry, fishery	6.0	-3.9	1.5	4.9	4.5	17	23	25
Mining & quarrying	-24	-22.6	-2.6	-21.6	-39.1	36	20	14
Oil & gas	-24.4	-23.0	-4.3	-22.6	-41.0	36	19	13
Quarrying	7.3	0.8	78.8	2.0	0.6	0	1	0
Manufacturing	-17.8	-22.3	-13.2	-10.0	-3.7	20	12	13
Oil & gas	-11.6	-26.2	-17.3	-16.7	-6.0	16	9	9
Non-oil & gas	-37.3	-5.1	1.1	8.6	1.5	4	4	4
Non-tradable								
Electricity, gas & water	19.5	-2.0	12.0	23.7	15.1	0	0	0
Construction	0.9	-16.1	48.4	13.9	0.4	3	5	6
Trade, hotels & restaurants	-2.6	6.6	7.4	1.7	4.3	11	16	17
Transport & communication	3.6	14.4	10.9	11.0	-0.1	3	6	6
Financial	19.4	-9.5	11.7	6	15.3	1	1	2
Services	20.1	9.7	4.4	14.3	1.6	8	15	16
GDP	-9.6	-10.1	1.6	-2.2	-5.8			
GDP w/o oil & gas	1.8	1.2	7.7	7.4	3.1			

Source: Aceh Economic Update October 2008.

Service sector employment also increased, doubling its share of Aceh's economy between 2003 and 2008, due largely to the tsunami reconstruction boom, and post-tsunami assistance to small and medium enterprises, and the increased circulation of cash in tsunami-affected districts. As such, service sector growth is unlikely to continue.

Aceh's oil and gas production has begun to decline. Oil and gas and related manufacturing industries now account for only 22 percent of Aceh's economy, down from 56 percent in 2003.

By the first half of 2008, Aceh's GDP growth rate, at 3.1 percent, was less than half of the national rate of 6.9 percent.



*A people's market for the third anniversary of the MoU in Banda Aceh.*

As both construction and oil production decline, agriculture is now leading Aceh's economic growth. The sector's contribution to Aceh's economy expanded from 17 percent in 2003 to 25 percent in early 2008. Agricultural production surpassed pre-tsunami levels (by five percent) in 2007, and continued to expand by 4.5 percent during the first half of 2008. The agricultural growth rate is now similar to the rest of the country. Much of this growth has



been achieved through the rehabilitation of tsunami-damaged farmland and fishponds, as well as resumption of harvests in conflict-affected districts.

Agriculture employs 57 percent of Aceh's workforce, well above the national figure of 41 percent. Yet future growth in agriculture may not lead to increased employment opportunities. As with other parts of Indonesia, the agriculture sector in Aceh was already shedding labour prior to the tsunami, a trend that is likely to continue as productivity increases and more people find employment in other areas – provided, of course, that such work is available.

### Investment in Aceh

Private investment will be needed in several sectors (such as agriculture, non-oil and gas manufacturing and services) if these are to replace tsunami reconstruction as engines of growth in the province.

Business leaders in Aceh are generally upbeat about prospects in the post-MoU era; 57 percent of business leaders interviewed felt that the economic situation was improving, compared to 21 percent who felt it was deteriorating.<sup>129</sup> Nonetheless, serious challenges remain. These include: poor infrastructure; access to finance; inadequate legal protection for investors; patronage and corruption; and Aceh's high-cost economy.

Foreign and domestic investors shied away from Aceh during the conflict period, and have not yet returned since the Helsinki MoU.

At Rp. 1 million per month, Aceh's minimum provincial wage (*upah minimum propinsi*, or UMP) is now one of the highest in Indonesia. This is due to high inflation levels since the tsunami, and strong demand for labourers for reconstruction. High wages constrain Aceh's competitiveness and ability to attract investment.

Inflation rose sharply in Aceh after the tsunami, but has now slowed to national levels. Inflation peaked at 41.5 percent year-on-year in December 2005, compared with 17.1 percent for the rest of Indonesia. By mid-2007, inflation was almost on a par with national levels; however, the prolonged period of high inflation

raises concerns regarding the competitiveness of Aceh's economy, as well as impacting on the purchasing power of the Acehnese.

Foreign and domestic investors shied away from Aceh during the conflict period, and have not yet returned since the Helsinki MoU. The Government of Aceh is aggressively courting investors, primarily in the fields of infrastructure, plantations, mining and energy, touting the province's abundant natural resources and strategic location at the heart of the Indonesia-Malaysia-Thailand growth triangle. Still, many investors are taking a 'wait-and-see' approach to investing in Aceh. The provincial and district governments, with assistance from several donors, are working to develop effective investor service agencies and streamline permitting.<sup>130</sup>

The Governor's office has produced a draft strategy document, entitled 'The Green Economic Development and Investment Strategy for Aceh Province', also known as 'Aceh Green' to guide environmentally sustainable investment and development in the province.

The policy framework is comprehensive and progressive in that it integrates the themes of climate change, renewable energy, land use management, community development, commerce and conservation. It is also directly linked to the peace process as it explicitly aims to ensure that communities affected by the conflict including ex-combatants and victims have a sustainable source of income that is tied to a comprehensive economic development plan.



A man reading through the MoU soon after its signing.

The strategy takes an agro-ecosystem approach, dividing Aceh into five main land-use categories based on the main (agro-) ecosystems in the province. Aceh Green identifies nine sustainable development priorities for Aceh, falling into three main categories: (a) Land Use, Land Use Change and Forest Management: Forest Protection, Reforestation, and Community Forestry and Agroforestry Development; (b) Sustainable Economic Development: Spatial Planning, Smallholder Estate Crops, Fisheries and Aquaculture, and Public Infrastructure Development; and (c) Renewable Green Energy: Geothermal and Hydropower Development.



*Youth learning computer skills as part of a training program.*

All potential investors and donors are encouraged to synchronise their plans and programs with the Aceh Green strategy framework. While it is still a work in progress, recently a number of steps have been taken to make it a reality including the signing various inter-statal agreements with states and provinces in the United States, Brazil and Indonesia; instituting programs; preparing legislation; and, sponsoring a spatial plan. With its innovative approach, it has the potential to increase Aceh's and Indonesia's reputation internationally for environmentally sound approaches to the economic growth and peace consolidation.<sup>131</sup>

Between 2006 and 2008, a total of 42 foreign and six domestic investors registered intent to invest in the province with the Aceh Provincial Investment Promotion Board (BKPM), and initiated permit processes.<sup>132</sup> The numbers have increased slightly over the three-year period, from 12 in 2006 (ten foreign and two domestic) to 21 (all foreign) in 2008. These figures remain well below levels in most other Indonesian provinces, where hundreds of such applications are processed each year.<sup>133</sup>



To date, only four—including a major new oil and gas processing and petrochemical facility in Pulo Aceh—have completed the permit application process. According to BKPM Aceh data, if all these investments reach fruition, they will inject over US\$ 1.6 billion into the Acehnese economy, and provide jobs for at least 22 foreign and 4,021 domestic workers,<sup>134</sup> primarily in Banda Aceh, but also a few other districts and municipalities.<sup>135</sup>

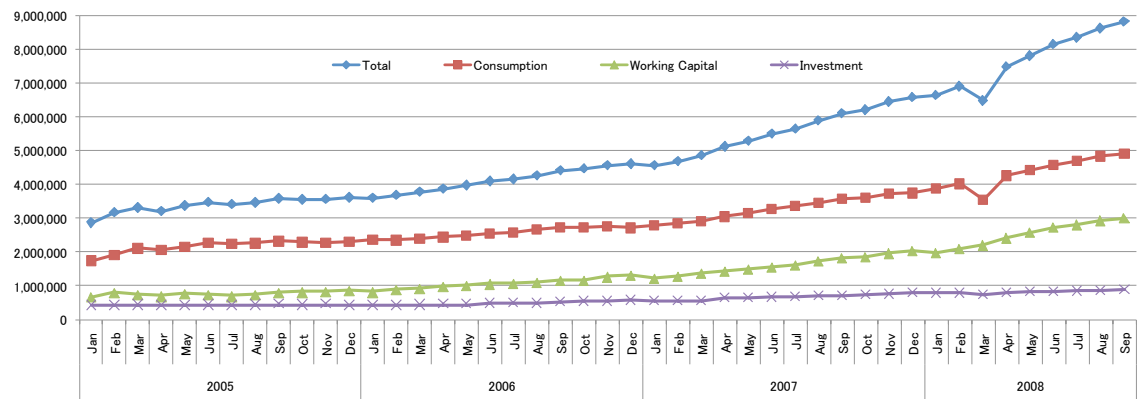
Local investment in Aceh is increasing. Gross Domestic Capital Formation (GDCF) accounted for 15 percent of Aceh's GDP in 2007 (Table 6.7).<sup>136</sup> This is more than double the pre-tsunami level, but still well below the national level of 25 percent.

**Table 6.7: GDP Composition by Expenditure**

Share (%)	2004	2005	2006	2007
Consumption	37.5	56.5	47.6	52.1
Private Consumption	23.3	35.2	28.4	31.9
Government Consumption	14.2	21.4	19.2	20.3
Investment	7.6	16.1	16.2	16.7
GDCF	6.8	14.4	13.3	14.9
Change in Stock	0.8	1.6	2.9	1.8
Net Exports	54.8	27.4	36.2	31.1
Exports	56.7	43.9	37.5	39.2
Imports	1.9	16.5	1.3	8.1

Source: Aceh Economic Update Oct 2008.

**Figure 6.11: State and Private Bank Credit Allocations in Aceh  
2005-2008**



Source: Bank Indonesia (2008).

Credit allocation is also increasing (Figure 6.11). Loans from private and government-owned commercial banks in Aceh have shown a slow but steady increase over the past four years. Over half of credit allocated went toward consumption, although there has been a slight increase in loans for working capital, mainly for trade activities. The trade sector accounted for 24 percent of all working capital and investment credit in 2007.<sup>137</sup>

According to Bank Indonesia's Regional Economic Analysis Report for the second quarter of 2008,<sup>138</sup> only 4.13 percent of loan applications were rejected in the first half of 2008, out of 14,723 applications by small and medium enterprises.

### 6.5 Where to Now?

The economic situation of most people in Aceh has improved considerably over the past four years. Conflict-affected groups such as former combatants and civilian conflict victims are experiencing increased prosperity, although, in general, they still lag behind other groups.

The reintegration programs of national and local government and many aid agencies have provided compensation and economic assistance to large numbers of former combatants and conflict victims—mostly in the form of direct financial or material aid. However, there is little evidence that direct financial or material assistance is contributing to increased productivity, income or wealth. In fact, households that have not received assistance tend to be faring better than those that have. Households are benefiting largely as a result of large sums of tsunami aid funds that have circulated in the economy and, just as importantly, the recovery of agricultural production.

Aceh's economic recovery is, however, still fragile, with poverty levels far above the national average, and large numbers vulnerable just above the poverty line. A small shock could send them into poverty.<sup>139</sup> As the tsunami recovery period concludes, the service and construction sectors are showing stagnant or negative growth.

Most ex-combatants are working, the majority having returned to their previous occupations—primarily in agriculture. Many have expressed a desire to change professions, with most choosing trade. It is doubtful that the Acehnese economy can presently accommodate such a large increase in the number of traders. There is insufficient volume or diversity in local production to absorb many more traders, particularly those with low education and skill levels.

For the short to medium term, agriculture will be the primary source of employment and income for the majority of Acehnese. Improving infrastructure and market access will boost incomes for

This sort of growth is not sustainable in the long run. Considerable investment is needed to improve human capital and increase economic efficiency in the province.



agricultural producers. Infrastructure works also have the advantage of generating additional employment. Continued gains in agricultural production, however, will depend on increased productivity, and thus be more difficult than those achieved through bringing abandoned or tsunami-affected farmland back into production. Increases in agricultural productivity will also likely result in less demand for farm labour.

Little new investment is coming into Aceh, and unemployment levels could rise. Aceh's high cost economy, deriving from a combination of high inflation and high minimum wage, insufficient and poorly maintained infrastructure, and further confounded by concerns about the durability of the peace, conspire to keep investors away. Despite the provincial and local governments' attempts to market Aceh's great natural wealth and strategic location, it remains the case that investing in Aceh offers few clear advantages compared to other Sumatran provinces or elsewhere in Indonesia, or the Southeast Asia region as a whole.

So long as investors continue to shy away, it appears that government projects and programs, along with slow but steady agricultural growth, will be the primary engines of growth in Aceh's economy. This sort of growth is not sustainable in the long run.

Considerable investment is needed to improve human capital and increase economic efficiency in the province. This would include skills training, business development services, improved access to credit and banking services, support for the diversification of production and the development of post-harvest and other backward and forward linkages in non-farm businesses in rural areas, and, of course, significant improvements to the province's infrastructure. All this will be necessary to build the economic foundations for sustained peace in Aceh.

So long as investors continue to shy away, it appears that government projects and programs, along with slow but steady agricultural growth, will be the primary engines of growth in Aceh's economy.



*This female conflict victim is trying to start a new with support for sewing activities in Aceh Besar.*







# 7 Politics, Security and Social Cohesion

Societies emerging from protracted conflict face special security challenges. The formal end of fighting is often accompanied by an upsurge in other forms of violence. Conflict can weaken social relations and social cohesion leading to disputes and undermine communities' capacity for collective action.

Since the signing of the Helsinki MoU, much progress has been achieved in the realms of politics and security. Free and fair, and largely peaceful, democratic elections have been held. Security has improved exponentially. But thorny issues remain. International experience shows that immense challenges remain after peace accords if peace is to consolidate.<sup>141</sup>

The reintegration of ex-combatants and amnestied political prisoners into society, and a shift in their identities from combatants to civilians, are central to the creation of a sustainable peace in Aceh. While the preceding chapters have shown that a majority of eligible former combatants and political prisoners have received some reintegration assistance and returned to work, obstacles remain to their complete social reintegration.

The peace accords were quickly followed by local elections that helped incorporate former GAM members into political processes. Nonetheless, the implementation of these elections, along with a continuing struggle for control of reintegration processes and resources between Aceh and Jakarta, Banda Aceh and the regions, local elite and local communities, all present special challenges to the peace process.

This chapter begins with a review of conflict and violence in the post-MoU period, followed by an examination of the social reintegration of ex-combatants, amnestied prisoners, conflict victims and displaced peoples, and their engagement in the political process. It then considers several important macro-political issues.

Key findings are:

- Aceh has achieved a great deal in the social and political reintegration of former combatants, political prisoners and returnees. However, the persistence of conflict-era identities and structures continues to prevent these individuals from fully assimilating into society.
- Levels of violent conflict have dropped dramatically since the signing of the Helsinki accords. However, not unexpectedly, there was a rise in localized violence up to the end of 2008 and ongoing tensions between and within factions of former combatants. In the first half of 2009, the number of violent incidents has fallen.
- Vigilantism, disputes over government contracts, and domestic violence are the most prevalent forms of violence in post-conflict Aceh.
- Rural communities in Aceh are characterised by strong social capital, and high levels of trust



in local (village-level) leadership. However, public trust in higher levels of government remains low.

- Successful elections for heads of regional government and for district, provincial and national members of parliament, were largely free and fair with relatively low levels of violence. Nonetheless, problems in the implementation of these elections may negatively impact on governance in Aceh.
- Provincial breakaway movements in Aceh's mountainous interior and south-western districts pose a challenge to the peace process. However, while it is politically too early for the provincial and national governments to consider partitioning of Aceh, local grievances do exist and need to be addressed.
- The continued presence of conflict-era organizations such as KPA, PETA and FORKAB, also poses a challenge to political stability and security. Rising membership in these organizations perpetuates both conflict-era identities and pressure on the government for ongoing individual assistance.

## 7.1 Conflict and Violence

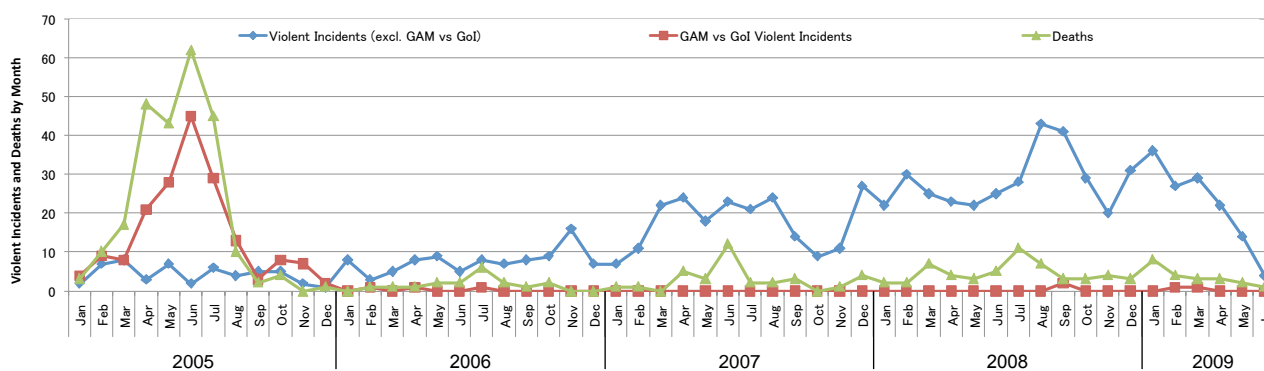
Levels of violent conflict have dropped dramatically since the Helsinki MoU, and remain well below those experienced during the final years of the rebellion. While violence was on the rise in Aceh from early 2006 to the end of 2008, the first half of 2009 has seen a significant drop in the number of violent incidents (Figure 7.1).<sup>142</sup> Violence levels are now lower than in other 'post-conflict' parts of Indonesia such as Maluku.<sup>143</sup> It remains to be seen whether this drop is permanent.

In the post-Helsinki period, the nature of violence in Aceh has changed. Incidents between GAM and the government dropped to almost zero after the signing of the MoU in August 2005 and have remained low. Only five such incidents were reported between the start of 2006 and the end of 2008.

New forms of violence have increased—accelerating during the latter half of 2008, but tapering off in the first half of 2009. Just over 100 people have been killed in violent incidents (excluding violent crime) in Aceh during the past four years, an average of slightly less than three per month. The majority of these deaths were related to vigilantism, personal or gang issues, or had unclear motivations (see below).



**Figure 7.1: Violent Incidents and Deaths by Month (2005-2009)**



Source: ACMU.

## New Types of Violent Conflict in Aceh

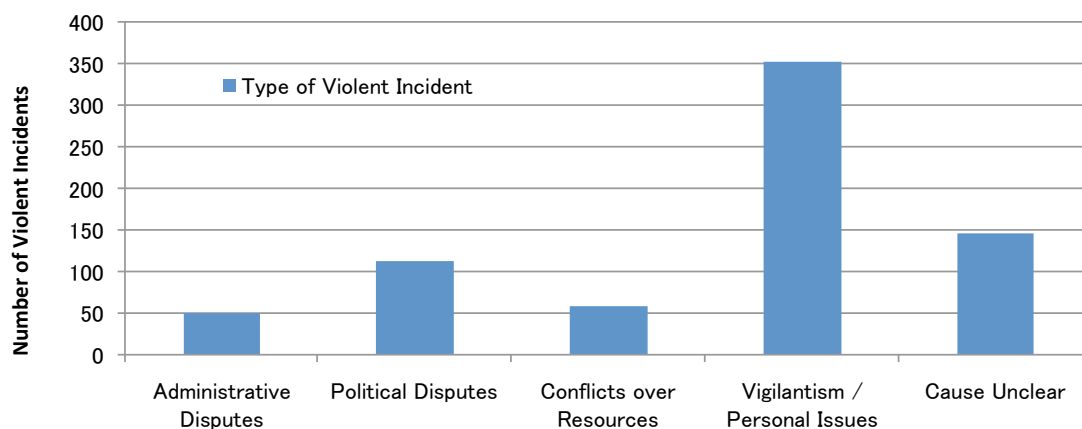
Four different types of (sometimes violent) conflict have been prevalent in Aceh since the MoU. Table 7.1 describes these types, while Figure 7.2 shows the relative frequency of the various types of violent conflict.

**Table 7.1: Types of Dispute in the Post-conflict Era**

<p><b>Conflict over Resources</b></p> <ul style="list-style-type: none"> <li>• Disputes over ownership, access to and use of public, private and communal land, natural resources or other assets, and struggles over markets, routes or customers (including extortion).</li> <li>• Resource conflicts are relatively uncommon.</li> <li>• Resource conflicts rarely end in violence.</li> </ul>	<p><b>Administrative Disputes</b></p> <ul style="list-style-type: none"> <li>• Disputes over handling of government funds, aid programs (government and NGO), public services, disputes over administrative borders (including the splitting of regions), contracting, and labour disputes.</li> <li>• Administrative disputes are the most common type of conflict (60 percent of total).</li> <li>• These very rarely lead to violence.</li> </ul>
<p><b>Political Disputes</b></p> <ul style="list-style-type: none"> <li>• Disputes over positions, influence and power in government, in political parties, awarding of positions/jobs by government, and disputes related to the MoU or peace process.</li> <li>• Political disputes are the second most common type of conflict, though at a level far below administrative disputes.</li> <li>• A slightly higher proportion of political disputes lead to violence.</li> </ul>	<p><b>Vigilantism, Mob Actions, Revenge</b></p> <ul style="list-style-type: none"> <li>• Moral issues (e.g., lynching, public humiliation), group identity issues (e.g., gang fights), personal issues such as revenge or taking offence, and domestic violence.</li> <li>• Vigilantism and mob actions in response to perceived crime and injustice.</li> <li>• A very high proportion of this type of incident leads to violence; this type of conflict accounts for half of all violent incidents.</li> </ul>
<p><b>Unclear</b></p> <ul style="list-style-type: none"> <li>• Includes 'mysterious' violent incidents where the motive is unclear but there is a reasonably strong indication the incident is not mere crime (e.g., the Atu Lintang massacre, kidnappings and assassination where motives are unclear etc).</li> <li>• This category accounts for only a small proportion of total conflicts, but these often lead to violence.</li> </ul>	



**Figure 7.2: Violent Disputes by Type  
(October 2006-June 2009)**

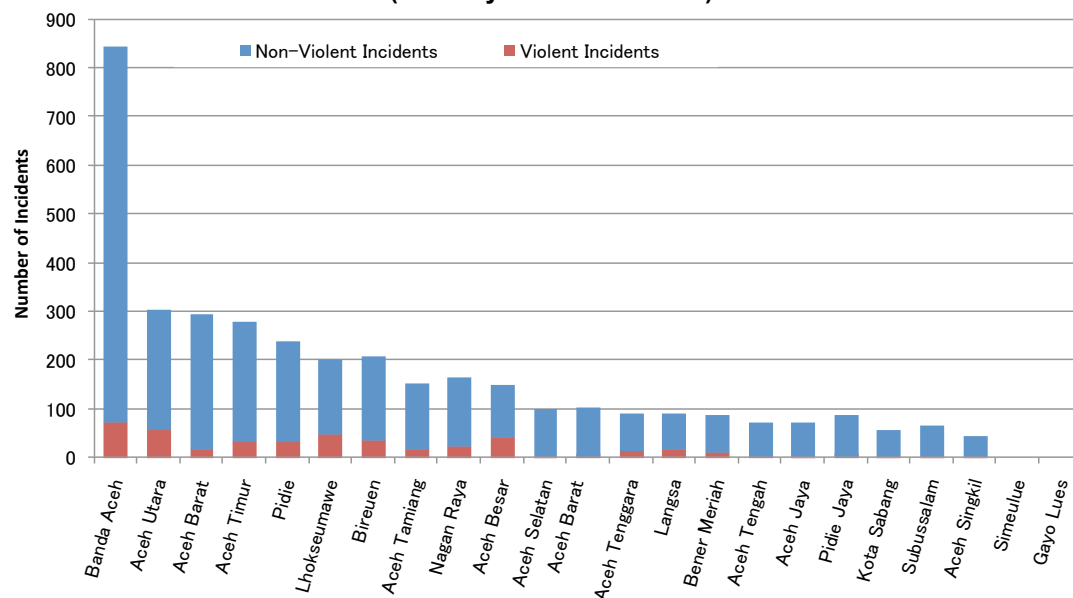


Source: ACMU.

### ***Where has violence occurred?***

Post-MoU violence has been concentrated in the districts that were most affected by the conflict and in the provincial capital Banda Aceh (Figure 7.3).

**Figure 7.3: Conflicts and Violence by District  
(January 2008-June 2009)**



Source: ACMU.

The predominant causes of conflict, and the proportion that lead to violence, vary between districts. Whereas overall, only a small proportion (12 percent) of political disputes have turned violent, a few districts and municipalities appear more prone to political violence. These include Bireuen, Aceh Utara, Pidie, and the cities of Lhokseumawe, Langsa and Banda Aceh.

It appears that in Aceh Utara, Aceh Timur, Aceh Besar, Lhokseumawe, Bireuen and Pidie, which experienced some of the highest levels of violence during the conflict, old ways of settling differences still sometimes eclipse more peaceful forms of dispute resolution. Despite strong





support for the peace process across nearly all sectors of Acehese society, there is a sense that political differences still hold the potential to spark violence.

*Although the peace process continues to move forward and the Acehese people as a whole feel free now to work for their livelihood, the potential for new conflicts can always emerge. The people have learned a lot from their history. Just for an example, take the Darul Islam rebellion [in the 1950s], after only 15 years of peace with Jakarta, warfare returned to Aceh. The lessons and experiences from this history continue to haunt us, to the extent that a feeling of caution and vigilance still rises up within us whenever we gaze into the future.*

- Community Member, Sawang, Aceh Utara<sup>144</sup>

In a limited number of sub-districts, significant tensions still exist (Box 7.1).

### Box 7.1: The 'Sword Army' in Sawang

On December 27th, 2007, Teungku Badruddin, a former GAM military commander, was ambushed and killed by a group of heavily armed men in Sawang, Aceh Utara. His assassination, quickly attributed to KPA, was followed over the next two months by a spate of kidnappings, shootings and bombings in Sawang or neighbouring sub-districts.

These incidents were blamed on Badruddin's followers. Tgk. Husaini, the head of KPA Sawang and alleged leader of the death squad that killed Badruddin, was arrested in January 2008. He died in police custody three days later, amid widespread suspicion that he had been tortured.

There are differing accounts of Badruddin's story. Authorities and KPA leaders depict him as a criminal thug involved in the May 2007 hold-up of a car belonging to the NGO CARDI. He was also said to oppose the peace process. His followers however, portray him as a respected and compassionate *ulama* who denounced the way that many communities and ex-combatants had been bypassed by the reintegration effort and never reaped the benefits of peace. Sawang, one of the most conflict-affected sub-districts in Aceh, is also one of the poorest. It has seen few improvements in infrastructure and public service delivery since the signing of the Helsinki MoU.

The feud between Badruddin and KPA dates back to the conflict period. Badruddin had the reputation of a renegade within TNA, and was even accused of being an informant for the security forces. Badruddin allegedly refused to recognise the legitimacy of the Helsinki MoU and surrender his weapons. His name, along with those of his followers', was deleted by KPA from the list of beneficiaries for reintegration assistance.

Badruddin's supporters, however, suggest that he was not so much opposed to the MoU as to the way that the GAM elite had, in his opinion, placed the aspirations of Aceh's people second to their own personal interests. In a document dated March 26th, 2007, Badruddin denounced KPA as the 'new self-proclaimed king of Aceh', and demanded that the organisation be disbanded. The letter further demanded revocation of the LoGA and strict implementation of the MoU provisions 'in accordance with the will of the people of Aceh'.<sup>145</sup>

Badruddin's professed concern for the welfare of the Acehese people hid more personal grievances. Excluded from KPA patronage networks, he and his group grew increasingly upset with the de facto monopoly the organisation had secured over construction projects in Sawang. One of the few infrastructure projects, a Rp. 14 billion

Despite strong support for the peace process across nearly all sectors of Acehese society, there is a sense that political differences still hold the potential to spark violence.



project to rehabilitate Sawang's main road, allocated to a KPA-backed contractor, became a lasting bone of contention: 'They used stones from our quarries, but we receive nothing. They build the road, we only eat the dust'.<sup>146</sup>

Badruddin survived a first murder attempt, presumably by people from KPA, in June 2007. His four-year-old daughter was killed in the shooting. He was arrested a few days later and sentenced to seven months imprisonment for the CARDI car robbery. His assassination upon his early release in December fuelled suspicions that his enemies had been tipped off. This, along with the shady circumstances of Tgk. Husaini's death in police custody, led many to believe that the security forces were pulling the strings behind the incidents, with the aim of fuelling divisions within GAM ranks.

After Badruddin's death, some of his more youthful and hard-line followers reorganised, under the leadership of Tgk Brimob. Wearing distinctive black scarves and armed with traditional Acehese swords,<sup>147</sup> the group quickly became known by the nickname of '*Pasukan Peudeung*' (the Sword Force), although they preferred to call themselves TNA (the authentic National Army of Aceh, as opposed to KPA who had given up the fight).

Momentarily forced into hiding after the spate of retaliatory attacks of early 2008, *Pasukan Peudeung* soon started making headlines again. Several kidnappings and armed robberies were attributed to the group. The group also harassed NGO personnel working in northern Sawang, in a crude attempt to draw international attention to their grievances. *Pasukan Peudeung* also developed a strong Islamist stance. In villages under their control, they raised green flags sporting a crescent and star, a sword and the words 'Allah is great' in Arabic. They also harassed women who were not dressed according to Islamic standards. *Pasukan Peudeung* also disrupted public gatherings organised by KPA and *Partai Aceh* in the outskirts of Lhokseumawe.

Throughout 2007 and 2008, the actions of Badruddin and his followers fed rumours about the resumption of separatist activity in Sawang. Word spread that Badruddin's men were only the 'tip of the iceberg' of a wider 500-strong '*Pasukan Siluman*' (Invisible Force) training in the mountains of Aceh Utara to resume armed struggle.

These rumours were most likely largely exaggerated, although Badruddin's hostile stance towards KPA did generate sympathy among other disgruntled ex-combatants outside Sawang. His burial was attended by hundreds of people from Aceh Utara, Bireuen and Aceh Timur.

In July 2008, four heavily armed ex-combatants suspected to be members of an anti-MoU network were killed in a shoot-out with police in Beutong, Nagan Raya. The investigation revealed possible connections between these men and *Pasukan Peudeung*. However, researchers familiar with the case concluded that the alleged separatist group was little more than a poorly organised and ideologically confused gang numbering no more than a few dozen, most of them too young to have been combatants.

*Pasukan Peudeung* was further fragmented after the arrest of Tgk Brimob in July 2008, the day after the Beutong shoot-out. Nonetheless, the kidnapping of a World Bank staff member the following September demonstrated that *Pasukan Peudeung* members still represented a threat. The captive was released without any ransom being paid.<sup>148</sup> After the incident, BRA and FKK through CoSPA facilitated meetings with the local *Camat* and other stakeholders to identify root causes. This was followed through under the direction of BRA with cultural activities supporting peace and a renewed focus by IOM with its



youth employment program in the sub-district. Since then, three of the kidnappers have been arrested.

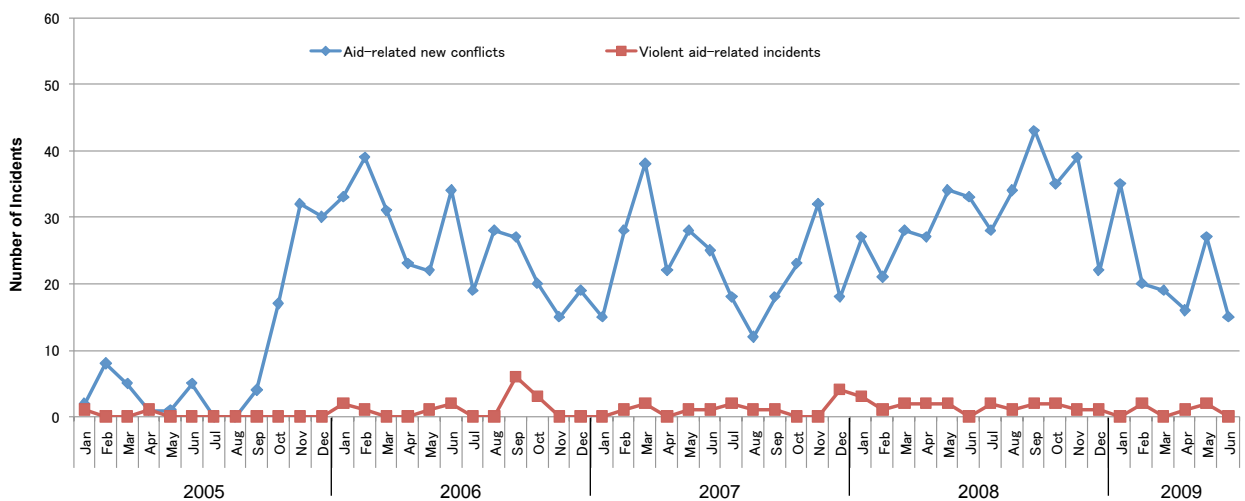
As of July 2009, only one has been tried and he was condemned to a three year jail sentence. After the kidnap incident, the 'anti-MoU' threat largely disappeared from public attention until a series of arrests made in March and April 2009 in relation to violent attacks against political parties in the run-up to the legislative elections. Nine people belonging to a network dubbed the 'Abdul Razak Group' were arrested. They are accused of involvement in 16 cases of pre-electoral violence, including arson and grenade attacks on political parties' facilities, mostly *Partai Aceh*. It was also discovered that four ex-combatants killed in Beutong were also members of the 'Abdul Razak Group'. It has not yet been established how many members of this network of disgruntled ex-combatants-cum-criminals remain at large.

### Aid and Conflict

Aid has become a major source of conflict in Aceh, although cases rarely turn violent (Figure 7.4). Between 2005 and 2008 there were nearly 1,000 aid-related conflicts in Aceh, of which around 3 percent (33 incidents) led to violence. These include: conflicts over tsunami aid (over 600 incidents, 17 which turned violent); post-conflict assistance (over 100 incidents, 6 violent); programs directed to soften the impact of the removal of national fuel subsidies (40 incidents, 6 violent); and other government programs (200 incidents, 7 violent).

More aid-related conflicts in Aceh Utara ended in violence than in any other district.

**Figure 7.4: Aid, Conflict and Violence (2006-2008)**

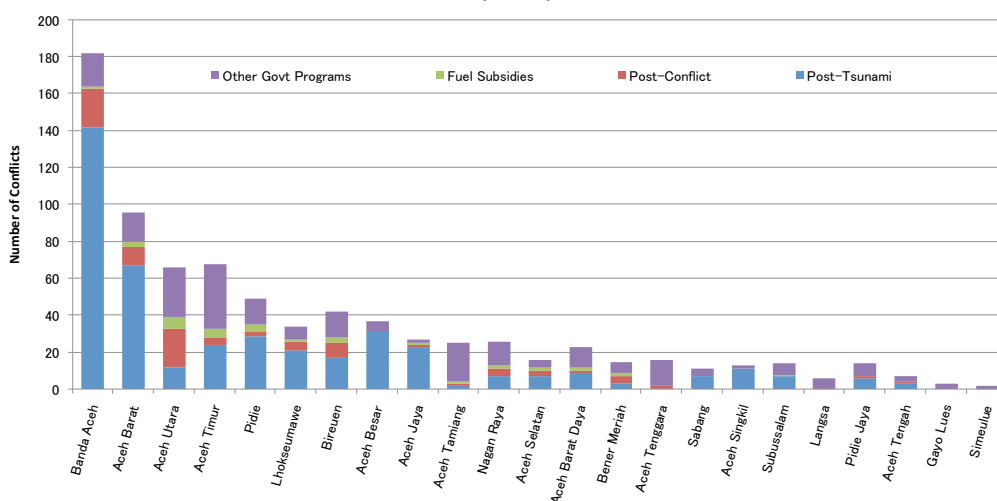


Source: ACMU.

The majority of aid-related conflicts occurred in Banda Aceh, although only a very small proportion of these turned violent. More aid-related conflicts in Aceh Utara ended in violence than in any other district, followed by Bireuen and Pidie—Figure 7.5. Not surprisingly, a higher proportion of conflicts over post-conflict aid have led to violence than tsunami-aid related conflicts (5 percent, compared to 2.7 percent)—Box 7.2.

Post-conflict aid is potentially more divisive than post-tsunami aid because of difficulties of determining eligibility for different forms of assistance due to its long term and widespread nature, and the involvement of many former protagonists in the delivery and receipt of this assistance. Whereas between 2006 and 2008, two-thirds of violent aid-related events related to tsunami aid, by 2008 more than half of violent aid-related events involved post-conflict assistance.

**Figure 7.5: Aid and Conflict by District (2008)**



Source: ACMU.



### Box 7.2: Tsunami and Post-Conflict Aid

The Indian Ocean earthquake and tsunami of December 26th, 2004 and subsequent reconstruction effort are without precedent in history. The tsunami devastated the lives and livelihoods of millions of people, and was followed by the largest post-disaster recovery and development endeavour ever undertaken in the developing world.

Aceh was the region most severely affected by the tsunami and received the greatest portion of recovery assistance. Government of Indonesia and international donor and NGO commitments to Aceh's recovery amounted to US\$ 5.8 billion,<sup>149</sup> or roughly US\$ 4,700 for each surviving resident of the 80 sub-districts experiencing major or moderate tsunami damage.

The tsunami and subsequent recovery efforts also created a window of opportunity for negotiations that finally brought an end to the 29-year armed conflict, culminating in the signing of the Helsinki peace accords in August 2005. Tsunami recovery assistance transformed Aceh's economy, becoming the primary engine of growth in the province over the next four years.

The tsunami killed far more people than the conflict; some 132,000 confirmed casualties, compared to the estimated 30,000 people killed in the conflict. However, the conflict

affected the lives of far more people and communities, and their suffering took place over decades. In 2008 figures, the tsunami-related damage and loss amounted to some US\$ 6.1 billion, while the conflict caused an estimated US\$ 10.7 billion in loss and damage.

As the conflict was still ongoing when the tsunami struck, international donors eager to deliver aid to stricken communities assured the Indonesian government that they would not intervene in the conflict. As a result, much tsunami recovery aid was 'conflict blind', which sometimes inadvertently resulted in exacerbating existing divisions or creating new community-level tensions. As well, it had the unfortunate effect of creating a false dichotomy between post-tsunami and post-conflict Aceh.

To date, around US\$ 365.6 million has been committed to direct post-conflict recovery programs, including US\$ 173.5 million of Government of Indonesia and Government of Aceh funds and US\$ 192.1 million in additional commitments from international donors and NGOs. This translates to approximately US\$ 320 for each surviving conflict victim or around seven percent of per capita spending for tsunami survivors.

The delivery of much post-tsunami aid, as well as the individual and compensation-based approach to post-conflict reintegration assistance, has had the unfortunate effect of reinforcing an 'entitlement mentality' among ex-combatants, conflict victims and communities in Aceh. This may hamper the transition from relief to more broad-based development initiatives.

Crime rates are below those of neighbouring North Sumatra province and a perceived rise in criminality in 2008 that was undermining public trust in the peace process, may have lessened with the successful elections and reduction in violent incidents.

### A Fall in Crime

In 2008 it was widely perceived that crime, including violent crime, had increased in Aceh since the end of the conflict.<sup>150</sup> Some blamed disgruntled ex-combatants, who lack legitimate means of earning an income, and continue to rely on the extortion, banditry and thuggery that were so effective during the conflict years. The BRA draft strategy document notes:

Recently, the rate of criminal activities has increased in Aceh. This trend is likely linked to inefficient and delayed assistance for ex-combatants, former political prisoners, and conflict-affected communities, as well as the continued presence of weapons in Aceh.<sup>151</sup>

Those disputes with 'unclear' causes (see Table 7.1), while only a small proportion of total conflict events, have the highest likelihood of turning violent. Often it is difficult to distinguish between political violence and violent crime. The distinction was blurred during the conflict,<sup>152</sup> and remains unclear after it. Many small-time criminals hint at GAM affiliation to strike fear into their victims or those who might oppose them, and perhaps feeling that this affords them a measure of immunity from prosecution.

Local press reports of crime in Aceh have increased, and with this comes increased public awareness. Many view it as a positive development that violence that may once have been presumed to be political is now more commonly viewed as simply crime.

*There was more crime before. However, it was not reported. Today it can be reported. Many criminals have been arrested. There are many [criminals] who went along with the conflict [for criminal purposes]. Now, we have to be wary of 'hitchhikers' like them.*  
- Academic, Banda Aceh

Half of the community leaders interviewed in 2008 felt that crime has increased in Aceh, although this perception could be the result of increased media reporting. Significantly, 75 percent of local business leaders stated that crime has increased, compared to just a third or less of former combatants, government officials and local religious leaders.

As discussed above, the first half of 2009 there was a fall in the number of violent incidents. Crime rates are below those of neighbouring North Sumatra province and a perceived rise in criminality in 2008 that was undermining public trust in the peace process, may have lessened with the successful elections and reduction in violent incidents. While this is encouraging, tensions over ongoing aid, mistrust between groups and dwindling reconstruction funds means that recent positive trends are not assured in the long term and ongoing attention is required.

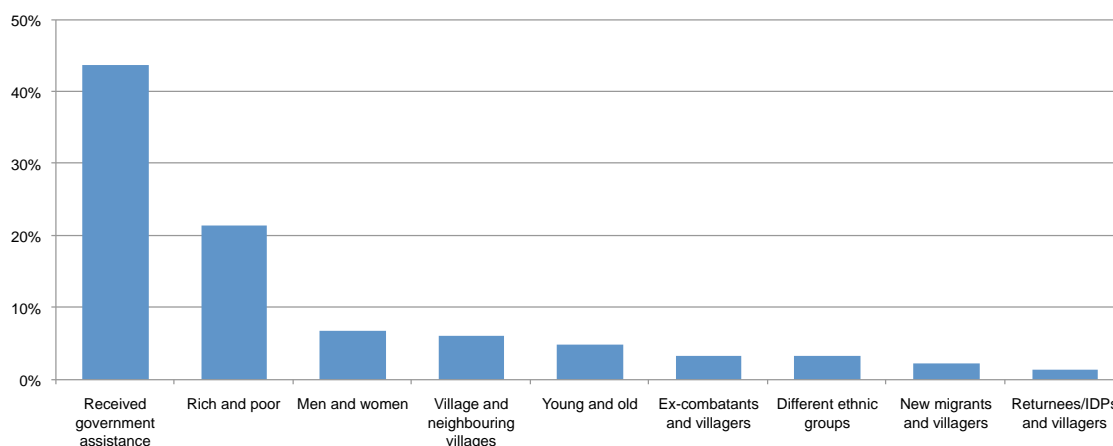
## Social Tensions

The data cited above comes largely from Acehnese newspapers. Papers tend to focus on incidents that are either violent or politically important.<sup>153</sup> However, a range of other tensions exist in Aceh. The ARLS provides data on local tensions that exist in post-conflict Aceh.

### *Disputes over inequity most prominent*

At the community level, tensions over economic inequality and inequitable distribution of government and donor assistance, are far more prevalent than identity conflicts, such as tensions between former combatants and non-combatants, different ethnic groups, or between migrants, returnees, IDPs and villagers (Figure 7.6).

**Figure 7.6: Sources of Local Division†**



Source: ARLS. † Civilians only; not representative of all Aceh.

The most divisive issue in communities has been the distribution of government assistance, with 44 percent of respondents naming this as a major or minor source of division. Second—and probably related—was the divide between rich and poor. Village heads interviewed placed even more emphasis on the divisiveness of aid distribution in their villages, with 66 percent listing this as a minor or major source of conflict in their communities.<sup>154</sup> Twice as many non-Acehnese as Acehnese reported inter-village relations as a source of division.

The most likely form of tension to escalate into violence is that between men and women. However, other forms of violent tensions are more widespread (Table 7.2). For example, although only nine percent of villages reporting tensions over aid escalated into violence, the fact that these tensions were more widespread means that this form of violence is more common. In all, 87 people (or almost 5 percent of the sample) said that violent conflict over aid inequity had occurred in the past



**Table 7.2: Divisions that Escalate to Violence**

Share reporting that the difference between [...&...]	n ≈	% respondents reporting division		% all respondents (n=1,794)	
		Escalated to physical violence in the past six months? %	Prevented you from carrying out economic activities? %	Escalated to physical violence in the past six months? %	Prevented you from carrying out economic activities? %
Men and women	110	13	8	0.8	0.5
Rich and poor	435	11	12	2.7	0.3
Different ethnic groups	61	11	4	0.4	0.1
Younger and older	99	10	4	0.6	0.2
Received government assistance	970	9	7	4.8	3.8
Ex-combatants and villagers	72	9	2	0.3	0.1
New migrants and villagers	59	5	2	0.2	0.1
Returnees/IDPs and villagers	31	4	4	0.6	0.1
Village and neighbouring villages	106	3	2	0.2	0.1

Source: ARLS, Long Household Survey and ex-TNA Survey.

six months and almost 4 percent said that violent conflict of this type had prevented them from carrying out their economic activities.

Given that the sample is representative of all of Aceh, this is extremely worrying: it shows that violence resulting from perceived aid inequity is impacting tens of thousands in Aceh.

Given that the sample is representative of all of Aceh, this is extremely worrying: it shows that violence resulting from perceived aid inequity is impacting tens of thousands in Aceh. Violent conflict between the rich and the poor is also widespread, with almost 3 percent of all respondents reporting it. One percent of people also say that violence between men and women has occurred. This represents a significant amount of domestic violence. In contrast, less than a third of a percent of respondents (only three people) reported violence between ex-combatants and villagers.

The data shows that localized, and normally small-scale, violence over aid and other resources remains an issue in Aceh.

**Table 7.3: Sources of Division by Region**

Difference between [...] is a 'minor' or 'major' source of division (%)	All of Aceh n=1,794	Central Highlands n=319	South-Western Districts n=318	North Coast n=1,157
Received government assistance	44	55	57	38
Rich and poor	22	30	40	17
Village and neighbouring villages	7	18	6	5
Men and women	6	7	3	6
Younger and older	5	7	6	4
Ex-combatants and villagers	4	2	4	4
Different ethnic groups	4	7	1	4
New migrants and villagers	3	6	1	3
Returnees/IDPs and villagers	2	6	0	1

Source: ARLS. †Male civilian respondents only for geographic representativeness.



## Regional patterns of conflict and violence

The central highlands exhibited a greater prevalence of disputes of all sorts than the northern coastal region (Table 7.3). Yet in the northern districts, and particularly those most affected by the conflict (Bireuen, Pidie, Aceh Utara and Aceh Timur), these disputes were in general more likely to escalate into violence when they did occur (Table 7.4).

In the central highlands, tensions between ex-combatants and villagers showed a higher propensity to become violent than in other parts of the province. Overall, domestic disputes (men and women) showed the highest likelihood of leading to violence. This is consistent with findings on intimate partner violence in numerous post-conflict situations worldwide.<sup>155</sup>

**Table 7.4: Sources of Violence by Region**

Share of cases that escalated to violence during last six months (%)	All of Aceh	Central Highlands	South-Western Districts	North Coast
Men and women	13	14	0	15
Different ethnic groups	11	7	0	12
Rich and poor	11	2	0	16
Younger and older	10	14	0	11
Ex-combatants and villagers	9	15	0	9
Received government assistance	9	1	0	13
New migrants and villagers	5	0	0	7
Returnees/IDPs and villagers	4	0	0	6
Village and neighbouring villages	3	6	0	2

Source: ARLS.

Village heads reported that conflicts between ethnic groups and between neighbouring villages were more dangerous than conflicts over government assistance, particularly in the central highlands and south-western coastal regions.<sup>156</sup> According to the village heads, violent disputes over government assistance were more commonplace in south-western and northern coastal districts than in the central highlands, perhaps a residual effect from conflicts in those regions over tsunami aid.

## 7.2 Social Reintegration and Cohesion

Much progress has been achieved in the physical reintegration of former combatants, amnestied political prisoners and people displaced by the conflict. Tens of thousands of people have returned to their villages since the conflict ended. By and large, relatively less problems have been encountered by returnees, who are taking part in village life and interacting with others. However, some individuals—especially former combatants—have retained their conflict era group identities leading to possible future divisions. A large number of displaced people have yet to return to their home villages for economic reasons or because of fear of retribution. IDPs are also less likely to be accepted in the communities in which they are now living than other groups.



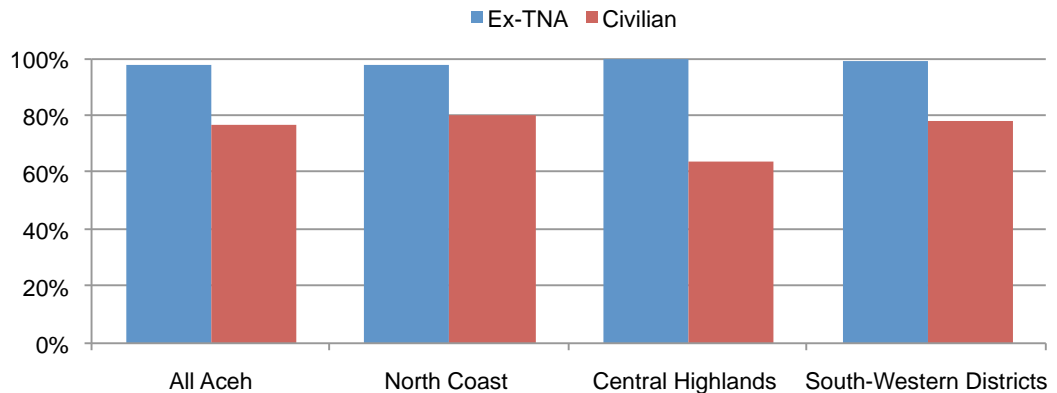
*Aceh singer Raffy headlines a massive concert in support of peace in August 2008.*



## Former Combatants

There have been high levels of acceptance of former combatants. Of more than 1,000 former GAM combatants surveyed in mid-2008, only seven reported any difficulty in being accepted by their villages.<sup>157</sup> One characteristic of the Aceh rebellion was that most active GAM/TNA were

**Figure 7.7: Acceptance of Ex-Combatants**



Source: ARLS. Men only.

In Aceh and in other post-war contexts, many ex-combatants are reluctant—or unable—to transform their identities from 'freedom fighter' to 'community member.'

in mobile units that regularly rotated in and out of civilian life. This made it fairly easy for most former combatants to return to their home villages and resume their occupations after the signing of the MoU.<sup>158</sup>

Ex-combatants, not surprisingly, are highly accepting of former colleagues returning to their communities, while civilians are slightly more reserved in their acceptance (Figure 7.7).

Over three-quarters of male civilians said they readily accept ex-combatants returning to their villages. Returning former combatants have been more coolly received in the central highlands districts. The fighting only spread into the highland districts during the final and most brutal phases of the conflict, and many communities there blame GAM—who they see as a primarily Acehnese organisation from the northern coastal region—for the violence they endured.

### Deeper reintegration

While there is broad acceptance of returning former combatants, other measures suggest that the social reintegration process is incomplete. Gaps and differences remain between civilians and former combatants, including differing levels of participation in particular types of village association or activity (Figure 7.8).

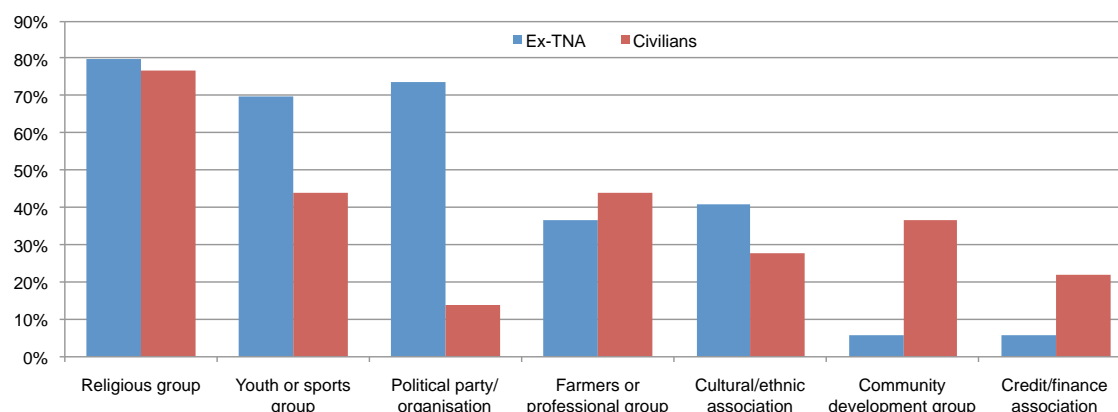
Former combatants are not facing major barriers to participating in village associations and community activities and are now more active in certain areas than non-combatant civilians. More former combatants than civilians are active in religious groups, cultural and ethnic associations,



*A young man showing his support for the MoU on its first anniversary.*

and youth or sports groups.<sup>159</sup> Greater involvement in political groups by former combatants likely reflects their membership in KPA and/or Partai Aceh. None of the 1,086 ex-combatants interviewed reported having been prevented by other villagers from accessing health, educational or other social services or participating in associations.<sup>160</sup>

**Figure 7.8: Associational Membership: Ex-TNA and Civilians**



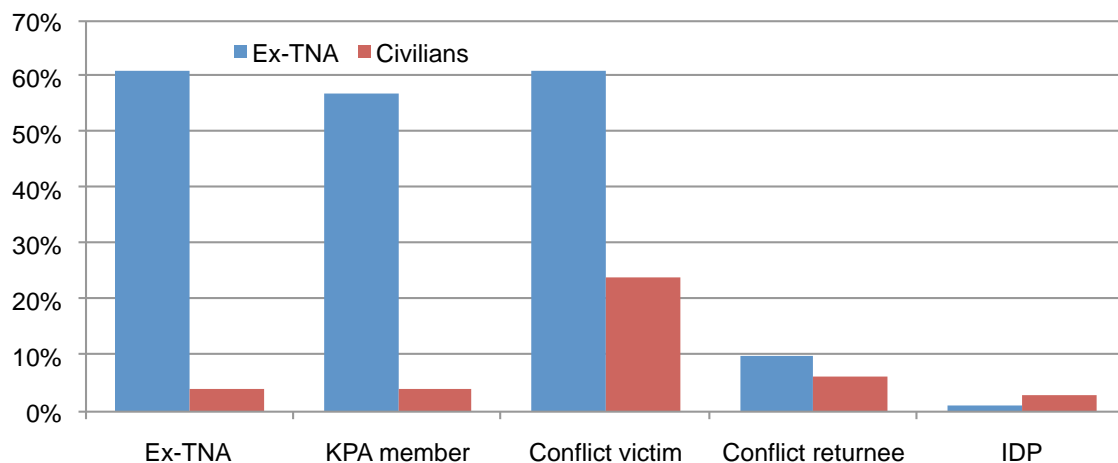
Source: ARLS. Men only.

While returning combatants are broadly accepted, and are participating in village life, deeper reintegration often remains elusive. This is particularly evident in low levels of ex-TNA involvement in economic or community development activities and organisations in their villages. In Aceh and in other post-war contexts, many ex-combatants are reluctant—or unable—to transform their identities from ‘freedom fighter’ to ‘community member’. This has much to do with the continued existence of former TNA (now KPA) command structures and related networks of patronage, power and privilege. Ex-TNA combatants are reluctant to sacrifice the ‘social safety nets’ that they depended on throughout the difficult years of combat.

This indicates that former TNA command structures and networks remain strong, and that former combatants’ full reintegration into society is still limited.

Maintaining their association with GAM networks and leadership likely increases their chances of receiving the ‘peace dividend’ to which they feel entitled. As Figure 7.9 shows, ex-combatants are far more likely to associate with each other, while few non-combatants listed ex-combatants among their closest friends or associates.

**Figure 7.9: Closest Friends and Prospective Business Partners: Ex-TNA and Civilians**



Source: ARLS. Men only.

Question: Name five people whom you consider [...] to be your closest friends, and three people with whom you would start a business.



A banner supporting the peace process in Calang.

command structures and networks remain strong, and that former combatants' full reintegration into society is still limited.<sup>161</sup>

## Returnees and IDPs

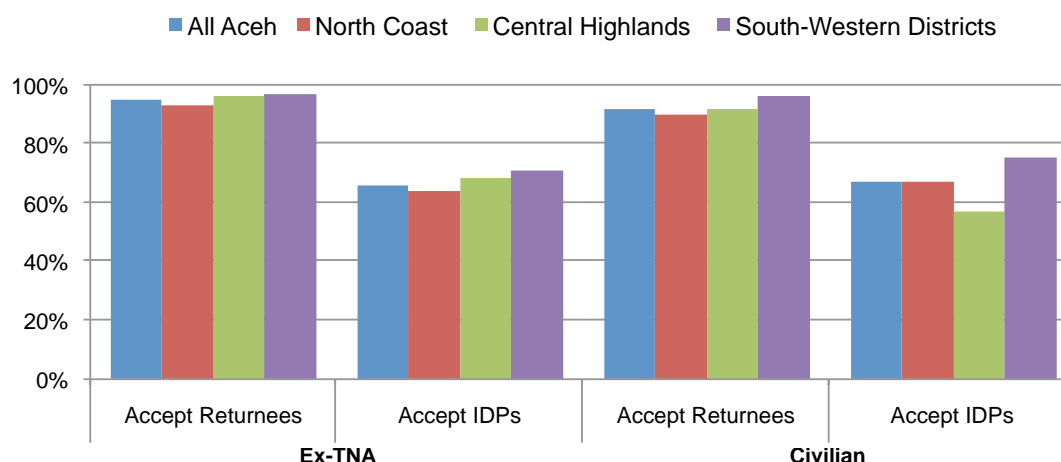
People fled their villages for different reasons and have faced varied circumstances upon their return. Those who have already returned (returnees) generally had compelling reasons to flee, and tended to return as soon as conditions permitted. They are often those with strong family or ethnic ties. Some returnees have faced special problems upon their return. Many arrived to find that their property had been destroyed or seized (if this was not one of the reasons they fled in the first place). Quite often the very people from whom they fled in the first place are still present in their own or nearby communities (Table 7.5).

**Table 7.5: Profile of Returnees and IDPs**

Characteristic	Returnee	IDP
Ethnicity	Predominantly Acehnese	Predominantly Javanese
Household Size	4	4
Usual Occupation	Farmer	Farmer
Current Occupation	Farmer, but financially unable to rehabilitate land	Day Labourer
Average Age	38	40
Percentage earning less than Rp. 30,000 per day	63 percent	81 percent (50 percent earning less than Rp. 20,000 per day)
Why they fled	39 percent of returnees experienced traumatic events such as being forced to flee as a result of houses or buildings being burnt, being caught in a bombing or being shot at, being tortured or detained, or having property damaged or seized by other people	Deprivation, indirect violence, or rumoured violence towards them, their community, or a nearby community
Education levels	30 percent never attended school or have not completed Primary school	28 percent never attended school or have not completed Primary school
Reasons for returning or not returning	Reunite with family members.	76 percent cite safety for themselves and their families, and nearly 60 percent cite better work opportunities.
Confidence in the Peace Process	High (45 percent)	Very Low (13 percent)
Political franchise	High (94 percent voted in the pilkada elections)	Low (47 percent voted in the Pilkada elections)
Threats to their return	Fear of armed groups in their places of origin is a security threat (76 percent)	Fear of armed groups in their places of origin is a security threat (86 percent)

Source: IOM/UNDP (2006) IDP Assessment (Phase 2).

**Figure 7.10: Acceptance of Returnees and IDPs**



Source: ARLS. Men only.

While acceptance of returnees is high, far fewer are happy with having IDPs in their villages, particularly in the central highlands districts (Figure 7.10). Many IDPs are former transmigrants, mostly from Java. In addition to the perceived burden they place on local resources and services, IDPs are sometimes perceived as more likely to receive assistance from government and international sources than 'native' residents, and are generally less welcome in communities than other conflict-affected groups.

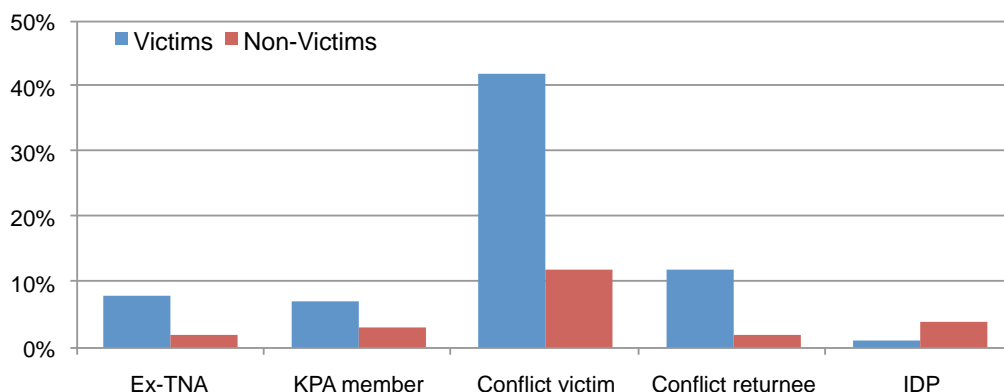
Former combatants (many of who were displaced during the conflict) tended to show a slightly higher level of acceptance of returnees than civilians in all areas. In the central highlands, former combatants have shown a higher level of acceptance of IDPs than their civilian counterparts. It also appears that former combatants are generally more sympathetic toward conflict victims than are civilians.

While acceptance of returnees is high, far fewer are happy with having IDPs in their villages, particularly in the central highlands districts.

## Conflict Victims

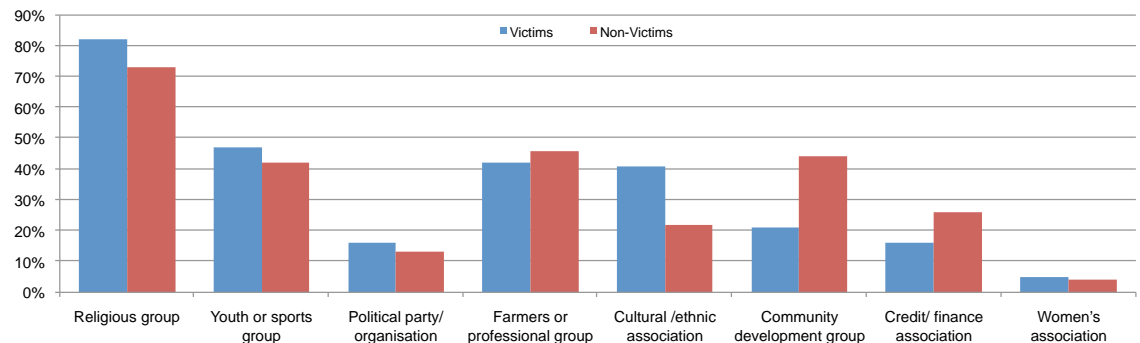
Conflict victims also tended to cite other victims as their closest friends or potential business partners, and returnees were their second most common choice (Figure 7.11). This again points to the persistence of conflict-era identities among Aceh's communities. The greater acceptance shown by conflict victims than non-victims for almost all groups is also striking—although the numbers who named ex-TNA or KPA members among their close friends or prospective business

**Figure 7.11: Closest Friends and Prospective Business Partners: Civilian Men, Victims and Non-Victims**



Source: ARLS.

**Figure 7.12: Associational Membership: Civilian Men, Victims and Non-Victims**



Source: ARLS.

partners was quite low. No groups favoured IDPs. Civilians were far more likely to identify conflict victims as friends or potential business partners than members of the various other groups (ex-TNA, KPA members, returnees and IDPs).

As with former combatants, male civilian conflict victims were more likely than non-victims to join religious or cultural/ethnic groups, and were less likely to be involved in village credit or finance associations or community development groups (Figure 7.12). These patterns were also broadly reflected among female conflict victims as well. In general, women participate in associations less than men, except for savings and credit groups and, of course, women's associations.<sup>162</sup>

### 7.3 Political Reintegration and Participation

For the past three decades, indeed throughout much of its recent history, political differences in Aceh have been settled through violence and intimidation. Ultimately an enduring peace in Aceh will require a broad acceptance of political processes and institutions as the legitimate means for mediating differences.

The Helsinki peace deal envisioned quick elections to incorporate former GAM into the political mainstream. The successful local executive elections (*pilkada*) in 2006 and 2007 and legislative elections in 2009 marked important steps in strengthening democracy.

The decision of GAM leadership in 2008 to form a political party, *Partai Aceh*, was another significant milestone. GAM has excelled in this new political environment with GAM-affiliated candidates winning the governorship, gaining district head positions and almost reaching a majority in the provincial parliament (Box 7.3).

#### Box 7.3: Elections in Aceh

Since the signing of the Helsinki MoU in 2005, Aceh has become the most politically dynamic space in Indonesia.<sup>163</sup> In December 2006 and January 2007, around a year-and-a-half after the signing of the MoU, Aceh held direct elections for the offices of Governor, Vice Governor and Heads of Districts and Municipalities (*pilkada*). The *pilkada* were largely free and fair, with few infractions and almost no violence. In the race for governorship, GAM-affiliated independent candidate Irwandi Yusuf and his running mate Muhammad Nazar from *Suara Independen Rakyat Aceh* (Independent Voice of the Acehnese People – SIRA) were declared winners with 38 percent of all valid votes cast. The next closest ticket—also GAM candidates—received 17 percent.



Of 21 district and municipal races, nine were won by GAM-affiliated independent candidates, signalling GAM's effective transformation from a fighting force into a political organisation. Eighty percent of eligible voters participated in this election. Six elections were won by Golkar-backed candidates, and the remainder by candidates backed by other parties, amongst which Islamic parties were prominent, although less so than many people had predicted. Only five incumbents were re-elected.

These were followed 16 months later by elections for district, provincial and national parliaments, held in conjunction with national polling. Voter turnout was even higher than for 2006-2007 local election polls. Participation was higher in rural areas than in the cities and towns; particularly those districts most affected by the conflict.

The April 2009 elections for representatives to the national, provincial and district parliaments were another major test of Aceh's ongoing democratic transition. A total of 44 parties—including six locally-based parties—competed in the elections. One of the conditions of the Helsinki MoU was permission to establish local political parties in Aceh. Ten local parties registered with the Independent Electoral Commission (*Komite Independen Pemilihan*) in Aceh, of which six passed the verification process.<sup>164</sup>

The lead-up to the 2009 parliamentary elections was more violent than the previous pilkada elections. At least six *Partai Aceh* leaders and candidates were killed in firearm attacks, several party offices and vehicles were also burned or bombed. KPA forbade its members to vote for any party other than *Partai Aceh*. In the election, Partai Aceh gained 33 of the 69 provincial parliamentary seats, falling short of a majority and of its own predictions for an easy win.

None of the five other local parties reached the five percent threshold, which would allow them to contest future elections. If *Partai Aceh* fails to live up to the electorate's expectations, this will mean that Acehnese will have no other local party option to turn to, limiting options for channelling frustrations and aspirations, and potentially paving the way for the re-emergence of national party dominance.



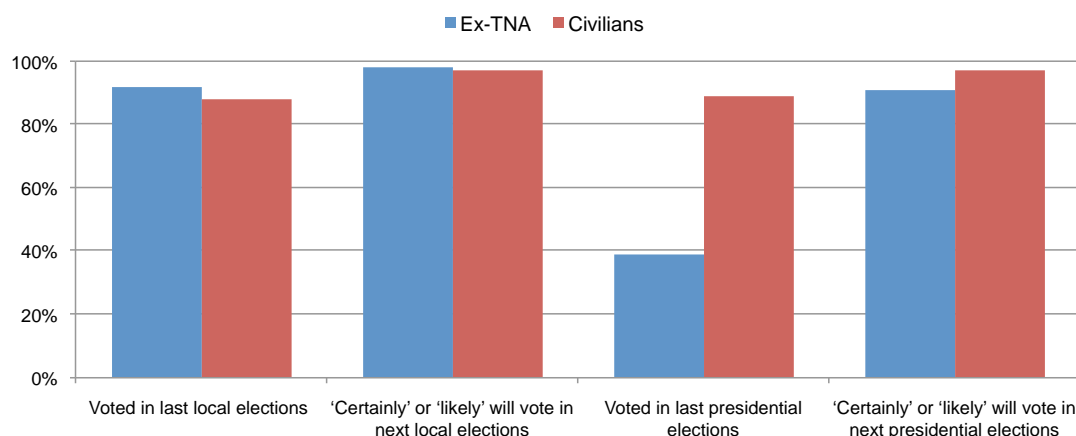
## Political Participation and Knowledge

Post-conflict Aceh has experienced a very high degree of political reintegration. Participation levels in local and national elections since the Helsinki MoU have been consistently higher in Aceh than national averages. Voter turnout for the April 2009 parliamentary elections in Aceh was 75 percent,<sup>165</sup> slightly down from 80 percent in the 2006 gubernatorial elections. Turnout in both years was well above the average for gubernatorial elections in Indonesia at 65 percent, or the estimated 60.8 percent who voted in the 2009 parliamentary elections.<sup>166</sup>

As of late 2008, over 96 percent of the population said that they planned to vote in the presidential elections in 2009, including 91 percent of former combatants (Figure 7.13). Overall, former combatants were just as likely to say they would vote as the population at large. Given that this group was until recently engaged in a rebellion against Aceh's inclusion in the Indonesian state, and that only one-third of former combatants voted in the 2004 presidential election, this is a remarkable achievement.

The exceptionally high percentage of former combatants—and Acehnese voters in general—who said that they planned to vote in this year's presidential election indicates a positive acceptance of Aceh's place within Indonesia. Significantly, incumbent President Bambang Susilo Yudhoyono received 93 percent of the Acehnese vote.<sup>167</sup>

**Figure 7.13: Male Voting in Elections**



Source: ARLS.

### ***Women's role in politics***

The patterns of voting are roughly similar between men and women voters, although slightly fewer women vote than men.<sup>168</sup> Nevertheless, the role of women in Aceh's politics still lags behind that of men (Box 7.4).



#### **Box 7.4: Women in Aceh's New Political Environment**

Women have become an active force in politics and civil society in post-conflict Aceh. While many women played important roles during the conflict, the peaceful environment and new post-LoGA provincial legislation have encouraged women to increase their political profile. Aspects of Aceh's patriarchal culture still tend to marginalise women. However, Acehnese women are finding their 'voice', particularly in urban centres.

*There are laws and regulations that favour women, there are many activists and there is support from many donors.*

– Woman activist, Banda Aceh

Echoing national regulations on political parties, Aceh's new election *qanun* (regional regulation) requires that 30 percent of candidates fielded by political parties in local, provincial and national elections are women. This is widely viewed as a positive development, although few believe that Aceh's political parties are serious about pursuing a gender equity agenda. Some women's activists view the 2009 elections as a 'lost opportunity', stating that much of the fault lies with women themselves.

*The opportunity is so big and open but it has not been utilised. That is why [these positions] have been filled by women without any movement base, women without an agenda for change, only by women with connections to local parties' elites. I did not see women who have been involved in the women's movement in Aceh seize this opportunity.*

– Woman activist, Banda Aceh

Women's civil society organisations—already active throughout the conflict—have undergone a transformation. During the conflict, numerous female activists and

organisations focused on voicing public concerns (a role they could more easily carry out than Acehese men in a conflict situation), addressing the suffering of women caused by the conflict, and assisting victims.

Since the conflict ended, their focus has shifted to advocacy for women's rights and gender-sensitive policy-making, and increasing women's access to services and facilities. The political and organisational skills honed during the conflict have served these organisations well during peacetime. International donors' and NGOs' focus on gender sensitivity in tsunami recovery programs also increased the profiles and portfolios of many Acehese women's organisations.

Some in Aceh, however, feel that the movement is elitist and exclusive, and that its influence has not reached the grassroots level.

*Now that we have peace, the women's movement has more uniformity, but it has not touched communities at the village level, or women conflict victims.*

– Women's rights advocate, Banda Aceh

*The women's movement today is significant, but it has not touched on the context of peace. It still focuses on gender issues when actually these two issues can be addressed simultaneously.*

– Female civil society leader, Banda Aceh<sup>169</sup>



## Political awareness

Former combatants and civilian conflict victims appear to be more politically engaged than other civilians. Among ex-TNA members, officers are much more politically attuned than non-officers: they are 26 percent more likely to know the Sub-District Head's or *Camat's* name; and three and four percent more likely, respectively, to know the District Head's or *Bupati's* and Governor's names (Table 7.6).

This is not particularly surprising: many former sub-district TNA leaders or *sagoe* commanders probably consider the *Camat* to be their peer, and are likely to have dealt with them on both reintegration assistance and other government programs. There was a higher awareness of all local government leaders amongst ex-combatants than the population at large.

**Table 7.6: Political Awareness: Ex-TNA, Victims and Non-Victims**

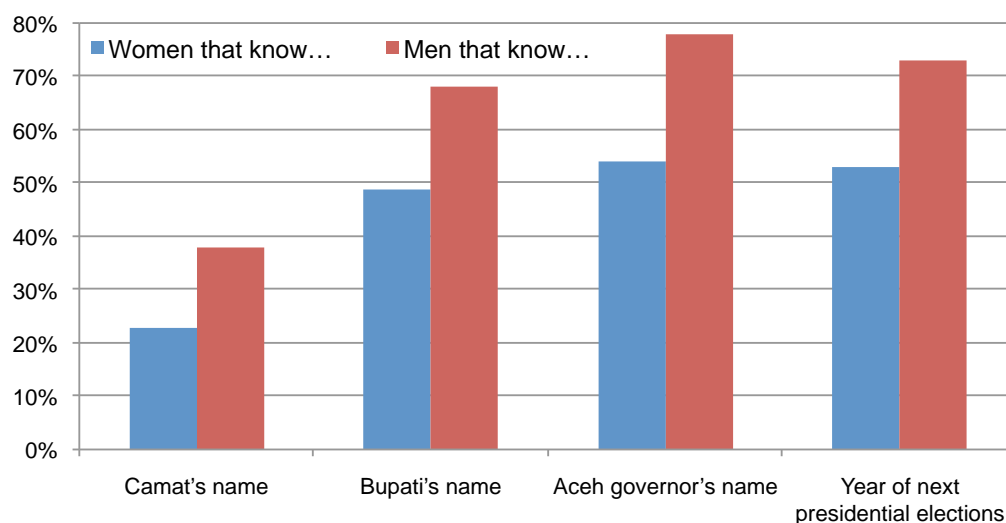
Share that know (%)	All Men		Comparing Ex-TNA to Civilians	Civilian Men		Comparing Victims to Non-victims
	TNA (n=1034)	Civilians (n=1794)		Victims (n=764)	Non-victims (n=1030)	
<i>Camat's</i> name	50	37	13***	35	38	-3
<i>Bupati's</i> name	87	72	15***	70	74	-4
Aceh Governor's name	96	79	17***	82	77	5
Year of next presidential elections	87	76	11	78	75	3

Source: ARLS. \*\*\* Significant at 99; \*\* Significant at 95; \* Significant at 90.

### Awareness among women

Women are far less aware of local politics and politicians. The greater the distance from the village, the less aware women are than men of the names of heads of government (Figure 7.14).

**Figure 7.14: Political Awareness by Gender**

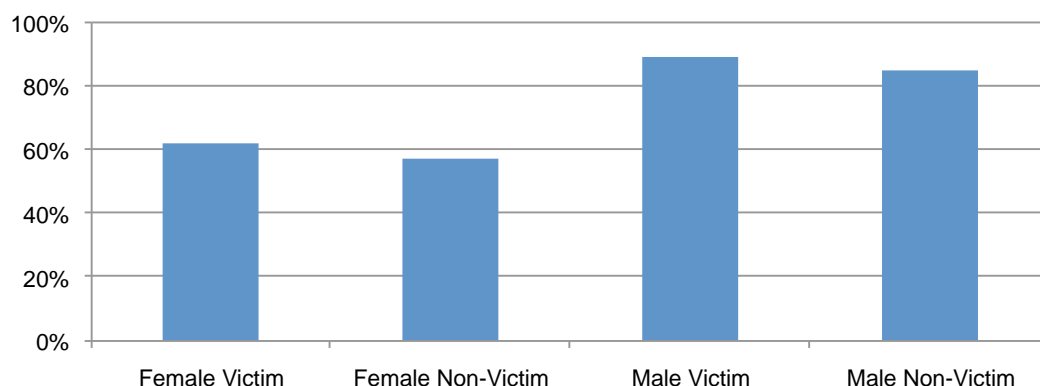


Source: ARLS.

### Participation in village meetings

Another measure of political engagement is the level of participation in village meetings. In general, participation rates are quite high for males (conflict victims and non-victims), while significantly lower for women. For both sexes, conflict victims show higher levels of participation in village meetings than non-victims (Figure 7.15). This probably relates to the fact that distribution of post-conflict aid is discussed at these meetings, and those groups hoping to receive such aid are more likely to attend.

**Figure 7.15: Civilian Participation in Village Meetings**



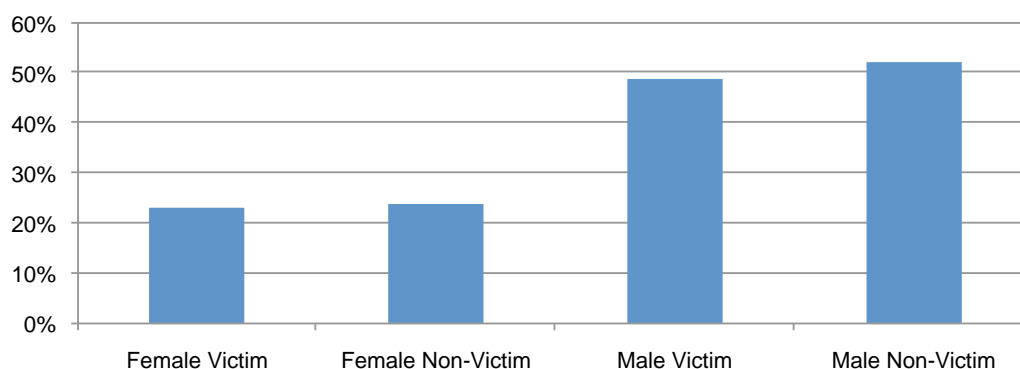
Source: ARLS. The difference between males and females is significant at 99%.



## Political efficacy

While participation in village meetings is high, people, particularly women, are less likely to feel that their contributions make a difference (Figure 7.16). This probably reflects villagers' perception that many 'issues that affect all villagers' are determined beyond the confines of the village itself.

**Figure 7.16: Civilian Feelings of Political Efficacy**



Source: ARLS.

Question: When decisions are made on issues that affect all villagers, do you feel that you personally play an influential role in affecting the outcome, for instance when you speak at village meetings or try to persuade others?

Despite villagers' perception that they have little influence on decisions that affect them, they are nonetheless quite positive about decisions made in their villages. Over 90 percent of civilian male and female conflict victims and non-victims claim to be 'very' or 'fairly' satisfied with decision-making in their village.<sup>170</sup> Furthermore, villagers indicate that they find local decision-making to be generally fair and equitable, providing greater benefit to the poor, conflict-affected and other vulnerable groups, than to people with connections to local government or to KPA (Table 7.7).

Despite villagers' perception that they have little influence on decisions that affect them, they are nonetheless quite positive about decisions made in their villages.

**Table 7.7: Who Benefits Most from Local Decision-Making?**

Share saying that [...] do 'much' or 'somewhat' better.	Civilian Men			Civilian Women†		
	All	Victim	Non-victim	All	Victim	Non-victim
Relatively poor	58	57	59	55	53	57
Most conflict-affected	52	53	50	48	45	49
Elderly	43	43	43	42	37	45
IDPs	42	41	43	39	33	42
Friends/family of the village leader	20	19	21	23	23	23
Ex-GAM/PETA members	18	18	17	18	15	20
People well-connected to local government	16	14	17	18	16	20
People well-connected to KPA	12	11	12	14	11	16

Source: ARLS. The difference between female victims and non-victims is significant at 95% for the elderly and IDPs.

All other differences are not statistically significant. † Not representative of all Aceh.

This level of harmony with village government augurs well for the peace process and provides insights into effective means to channel future post-conflict assistance.

In 2009, the Aceh provincial government is introducing a new village block grant program entitled Village Prosperity Assistance Grants (*Bantuan Keuangan Peumakmue Gampong*, BKPG). All 6,411 villages in 276 sub-districts in Aceh will be allocated Rp. 150 million per year (contingent

on district government performance in the allocation of Village Allocation Fund (*Alokasi Dana Gampong*, ADG) grants, and preparation of proposals) to support economic development in villages.<sup>171</sup> Rp. 100 million of this amount will come from provincial budgets and Rp. 50 million from district budgets.<sup>172</sup>

The BKPG represents a major increase in funding for village communities. Given the generally high levels of trust in local leaders and decision-making and perceptions that local decision-making benefits those most in need, the program has the potential to further increase cohesion and satisfaction at the community level. However, if not properly managed, this new ‘windfall’ also has the potential to lead to increased local conflict.

#### 7.4 Broader Social and Political Issues

Social and political reintegration at the local level has proceeded extremely well. There are few serious cohesion issues within and between communities. However, a number of broader trends point to ongoing or potential tensions in the province. These include ongoing tensions over the full implementation of the Helsinki MoU, the continued existence (albeit in ‘civilian’ form) of the GAM command structure, moves to create two new provinces in the central highlands and south-western coastal regions, and electoral conduct that can potentially undermine the management of political competition amongst local elites and the establishment of accountable and responsive government in the medium to long term.

##### The Law on the Governing of Aceh: A Step Forward but Remaining Tensions

As discussed in Chapter One, the Helsinki MoU set out the basic conditions for post-conflict governance and revenue-sharing in Aceh. These were later elaborated (and modified somewhat) in Law No. 11/2006 (the LoGA), which serves as a framework for relations between Aceh and the central government, and for governing the province (Box 7.5).



##### Box 7.5: The Helsinki MoU and LoGA

In preparing the LoGA, the national parliament chose to view the Helsinki MoU as general guidelines rather than as commitments to adhere to, since it was not one of the negotiating parties. As a result, the precise wording of some clauses in the LoGA differs from the MoU in subtle but important ways. Most fundamental to these syntactical and semantic differences was a gap in perception between stakeholders in Aceh (including ex-GAM) and national lawmakers over the interpretation of what it meant for Aceh to ‘exercise authority within all sectors of public affairs’ except for the six functions specifically exempted in the MoU.

The GAM view, supported by many in Aceh, was that the central government’s authority in Aceh would be limited to the six sectors. The wording of the MoU does not justify such an interpretation, and such an arrangement would be unrealistic as there are numerous functions outside the six sectors that need to be regulated and/or implemented by central government, particularly its constitutional obligations, matters related to international conventions that have been translated into national law, and central government functions in Aceh whose implementation could affect other regions of Indonesia or even other countries. This gap in understanding was aggravated by the lawmakers’ choice to elaborate on these additional functions of the central government in Aceh by calling them ‘governmental affairs having the characteristics of national affairs’, phrasing that leaves room for multiple interpretations.



The law further aggravated Acehese leaders by stating that ‘the Governments of Aceh (province) and *kabupaten/kota* (districts) have the authority to regulate and implement government functions...’, which is in keeping with the country’s decentralised structure of government set out in numerous laws since 1999. These laws and regulations give great power to district governments. GAM, however, intended that full responsibility for the implementation of special autonomy would rest with the provincial government.

There was further contention over the precise understanding of the role of the Indonesian armed forces. While the MoU clearly stated that their role and presence in ‘normal peacetime circumstances’ would be limited to upholding external defence of the territory, the wording of the LoGA expanded the armed forces’ mandate to ‘maintaining the security of the state and for other duties in Aceh in accordance with laws and regulations’, basically the same duties in Aceh as in elsewhere in Indonesia. The justification for these changes was that the national Law on the Governing of Aceh could not contradict the Indonesian constitution or other existing national legislation.

The most significant sticking point, however, is over the very essence of Aceh’s autonomy within the *Negara Kesatuan Republik Indonesia* (NKRI) or the Unitary State of the Republic of Indonesia, encapsulated in delicate negotiations over contrasting terminology used in the MoU and LoGA (see Box 7.6). Resolution of this matter is necessary to allow national, provincial and district lawmakers to complete the legislative and legal frameworks for post-MoU governance in Aceh.

There are still numerous national-level regulations that are required for the full implementation of the LoGA, involving further protracted negotiations, in which Acehese lawmakers insist that any consultative mechanisms established must be as close as possible to ‘consensus as a rule’, while the central government claims final decision-making authority must rest with the national parliament and President. Any further regulations about specific central government functions in Aceh must wait until this matter is resolved.<sup>173</sup>



Delays and incongruities in the implementation of the 2006 LoGA risk creating strains and disillusionment in Aceh. The first clause Helsinki MoU stipulated that a new Law on the Governance of Aceh would be promulgated and entered into force no later than 31 March 2006; it was August 2006 before the law was finally passed.

Three years later, national government regulations required for the full implementation of the law are still being debated in Jakarta, and provincial and district legislatures in Aceh have been unable to issue scores of provincial and district qanuns (regional regulations) required for the full implementation of the law. This legal vacuum affects the province and districts’ ability to utilise the special autonomy fund and revenue-sharing windfall set out in the 2006 law.

In the three years since the LoGA—especially since the 2006-07 direct elections for Aceh’s Governor and District and Municipality Heads—relations between Jakarta and Aceh have been cordial but cautious, and fraught with numerous sensitive issues that require deft negotiation and compromise by both sides (Box 7.6).

There have been delays in the implementation of several symbolically important and politically sensitive aspects of the Helsinki MoU. Little progress has been achieved on many of these provisions, partly due to legal and constitutional constraints, but also in part because of their potential to exacerbate tensions, both between Aceh and Jakarta, and between and among communities in Aceh itself.

### Box 7.6: Unresolved LoGA Issues

Debate over the full implementation of the Helsinki MoU continues to colour Aceh politics and centre-province relations in the post-MoU period. Four major issues are the subject of continuing discussion and debate.

**‘Consent’ v. ‘Consideration’:** The most contentious issue has been the phrasing in the Helsinki MoU which stipulated in three different sections that (i) international agreements which relate to matters of special interest to Aceh, (ii) decisions with regard to Aceh by the legislature, and (iii) administrative measures undertaken by the central government with regard to Aceh, will be entered into/taken/implemented ‘in consultation with and with the consent of the legislature of Aceh/head of the Aceh administration.’

This wording is constitutionally problematic, and were it included in the LoGA could have perhaps led to a judicial review by the Constitutional Court—with possible dire consequences for the peace process. In the LoGA, the offending phrases were replaced with the more innocuous terminology ‘in consultation with and with the consideration of the provincial parliament of Aceh/the Governor of Aceh’—in other words, replacing ‘with the consent of’ with ‘with the consideration of’. This switch in phrasing, is considered by many in Aceh to abrogate the very essence of the Helsinki MoU.

**Human Rights Court:** The LoGA limits the authority of the proposed Aceh Human Rights Court only to violations occurring after the law’s passage in July 2006. A 2000 law<sup>174</sup> established four permanent human rights courts in Indonesia, including one in Medan, which technically has jurisdiction over Aceh, therefore fulfilling Indonesia’s obligation to the Helsinki MoU. To date, however, no cases regarding Aceh have been heard there. The 2000 law also allows for the establishment of ‘ad hoc human rights courts’ to try serious human rights violations that occurred prior to 2000, but it is unlikely that such a format will be used to try cases relating to the Aceh conflict. Some national parliamentarians argue that since the government has already granted amnesty to GAM, it would not be proper to enforce the law against Indonesian soldiers accused of committing abuses during the same period.

**Truth and Reconciliation Commission (TRC):** TRCs can play an important role in the transition from conflict to peace, providing a supplementary channel to judicial processes that is less coercive than other justice mechanisms. These commissions are usually temporary in nature, with a mandate to investigate past events, create an accurate picture of the pattern of abuses, and to make recommendations for the resolution of past wrongs—including referring cases to the Human Rights Court. Reconciliation should be facilitated in the communities, using traditional mechanisms. Aceh’s plan to establish a TRC received a setback when the national TRC law<sup>175</sup> was annulled by the Constitutional Court on the grounds that it was in violation of Indonesia’s constitution as well as international law. If Aceh establishes its own TRC in the absence of a national organisation, it would only have effect in Aceh, while it is assumed that many perpetrators of past human rights violations are not residing in Aceh.

Because of parliamentary and presidential elections in 2009, most national lawmakers have been more interested in Indonesia’s future than its past and are unlikely to support Aceh’s attempts to establish either a Human Rights Court or TRC or any national-level endeavours to bring past human rights violators to justice. Many say it is better for the people of Aceh to forgive and forget, rather than to continue digging into traumatic past



events. Considering the nature of the Aceh conflict and Acehnese cultural traditions, forgetting is not a likely solution. Aceh's customary law and strong Islamic traditions stress the importance of justice processes, whether formal or informal.

**Wali Nanggroe:** A further source of tension centres on the (re-)establishment of an office of *Wali Nanggroe*, literally 'guardian of the state'. The wording in the Helsinki MoU was left deliberately vague: 'the institution of *Wali Nanggroe* with all its ceremonial attributes and entitlements will be established.'

Many in Aceh perceive this position as a symbolic and royal guardian of Aceh that harkens back to the Acehnese sultanate. This conceptualisation holds that the figure's authority is higher than the Governor. Most of these 'royalists' feel that the position of *Wali Nanggroe* hereditarily belongs to Hasan di Tiro, the founder and figurehead of GAM. Among some circles in Jakarta, this is tantamount to proclaiming a new 'constitutional monarchy' within the Indonesian state, as well as a direct allusion to Aceh's long history of resistance against outside domination. To some in Jakarta, this lends credence to lingering suspicions that former GAM members have not dropped their commitment to independence for Aceh.

### KPA: Transitional Committee or Preservation Society?

The Aceh Transitional Committee (Komite Peralihan Aceh, KPA) was formed soon after the signing of the Helsinki MoU, intended to transform GAM's military wing, the TNA, into a civilian organisation. Four years into this 'transition' process, many questions remain about the organisation's functions and intent. KPA maintains the same hierarchical structure as the former fighting force, and thus contributes to the continuance of conflict-era identities, and continued segregation between former TNA members and commanders with the broader Acehnese society (Box 7.7).

KPA maintains the same hierarchical structure as the former fighting force, and thus contributes to the continuance of conflict-era identities, and continued segregation between former TNA members and commanders and with broader Acehnese society.

Aceh's post-MoU political economy has created many new and lucrative opportunities for political entrepreneurs to engage in predatory and neo-patrimonial practices. The KPA leadership, in particular, is well positioned within these new constellations of state power and formal and informal economies to secure and redistribute resources. In some districts and sub-districts, KPA functions as a virtual 'parallel government', subverting democratic process and good governance.

The question must be asked, when will the 'transition' be completed? Some KPA leaders have vowed that the organisation will continue to exist until all facets of the Helsinki MoU have been implemented. However, they have set no clear timeline or criteria for determining when the organisation will have fulfilled its mandate, and can be disbanded.

Many KPA members have limited education or skills; GAM loyalty is their major professional qualification. That loyalty is being tested. Increasing divisions and competition between different KPA commanders, as well as growing resentment among the majority of rank-and-file ex-combatants who feel they have not received their fair share of the 'peace dividend', is creating new fault lines within an already fractious organisation.

In many countries of the world, veterans' associations play important roles in the social and political lives of former military personnel. KPA is still evolving, though the contours of this transition bear more parallels to the history of organised crime than to retired servicemen's associations.

The existence of KPA was undoubtedly relevant in the initial transition period. However, if KPA is going to continue to exist, an evaluation of its role is necessary. It needs to become a more open

### Box 7.7: KPA: Now a Hurdle to Reintegration?

Nobody questions the vital role that former rebel groups need to play in supporting the transition of insurgent fighting forces into civilian society. Clearly, the leaders of the rebellion, and the command structures already in place, are well placed to assist their members in this reintegration process. It is understandable that these leaders will be reluctant to relinquish their authority, or the structures through which it is exercised, once the transition is largely complete.

When originally proposed, KPA was given the name '*Komando Peralihan Aceh*' [Aceh Transitional Command], but some GAM leaders wisely objected to the use of the word '*Komando*', concerned that its military overtones would arouse Jakarta's suspicions.<sup>176</sup> 'Committee' it was.

The demobilisation of TNA as a fighting force has been quite successful and KPA's role in that process should not be understated. But having achieved that, and with the establishment of *Partai Aceh* to carry on the campaign for full implementation of the Helsinki MoU and an 'Aceh for the Acehnese' agenda, the continued need for a 'transitional' organisation is questionable. Indeed, the distinction between the two is moot; KPA forbade its members to vote for any other party,<sup>177</sup> and KPA's presence and activities increasingly resemble the non-electoral functions of political parties in Indonesia. These include: securing and distributing government contracts, jobs and resources; negotiating with businesses and workers; mobilising demonstrations to press for particular agendas; and pressuring, cajoling and cutting deals with politicians and officials.

In addition, KPA is morphing into a powerful business conglomerate, with former commanders successfully bidding for government construction contracts, and engaging in illegal logging, and then distributing patronage downward (see Box 6.2).

Nor is contracting KPA's only source of revenue. During the initial phases of the post-conflict reintegration process, KPA played a role in the disbursement of government reintegration assistance to demobilised former combatants received from *Dinsos* and facilitated by BRA. There were numerous allegations of irregularities, and considerable resentment from former TNA rank-and-file who felt they did not receive their fair share.

Another practice that still persists to a small degree from the conflict era is the collection of unofficial 'taxes', known as '*pajak nanggroe*' (literally 'state taxes'). During the conflict, GAM commanders and fighters made tremendous sacrifices for the Acehnese cause, and experienced great privation. Their humble circumstances and closeness with Acehnese communities—in combination, of course, with their demonstrated capacity to retaliate against individuals or enterprises that did not support them—formed the basis of GAM's fundraising success during the latter years of the conflict. While many individuals from across Acehnese society voluntarily contributed whatever they could to the cause, others were given little choice. *Pajak nanggroe* became a ubiquitous feature of economic life in Aceh during the conflict, affecting a wide variety of actors from individual households and market traders, to major natural resource companies, even government-funded construction projects.

In some parts of the province, there is growing public indignation over KPA's undue influence, and the rapidly accruing wealth of some former TNA commanders.

In some parts of the province, there is growing public indignation over KPA's undue influence, and the rapidly accruing wealth of some former TNA commanders.

*Nowadays GAM members are so rich... They build big houses, with two floors, and they get a lot of contract work and assistance. Honestly, I feel so bitter to see it; before [during the conflict] they used to ask for my help, they would even come to my house in the middle of the night and ask for food. I also sent food to them in the forest... We, the women in this community, were the ones ordered by the TNI to collect the bodies of GAM combatants and bury them... During the conflict we pitied them because they are our sons, Acehnese, from our community. But now they are arrogant; when they ride in their cars they don't greet us, they don't even lower the car windows. But they [GAM] promised us, if they were successful in the struggle, the people would be happy. That's why we were so willing to help them, and prayed that they would be safe and always healthy in their struggle.*

– Conflict widow, Aceh Utara<sup>178</sup>

KPA leaders attribute many of these practices to 'rogue elements' within the organisation. However, they have been notably reluctant to discipline errant members and hold perpetrators accountable. Many KPA leaders appear to have an allergy to criticism and a sense of themselves as being above the law.<sup>179</sup> While not all violent crime in Aceh is committed by KPA members, and many common criminals invoke its name to instil fear and perhaps avoid prosecution, the fact that some acts of extortion and general thuggery are linked to former GAM fighters cannot be denied.

Nonetheless, so long as 'transition' remains a profitable venture, it is likely that KPA will continue to claim a role in 'guiding' the process.



public organization with clear aims and have the proper legal and political foundation. Alternatively it can dissolve completely together with other conflict-era identity organizations.

### **Dividing Aceh: ALA/ABAS, PETA and FORKAB**

A second important contentious issue is the movement to carve two new provinces out of Aceh by local politicians and elites in the central highlands and south-western districts: Aceh Leuser Antara (ALA) and Aceh Barat Selatan (ABAS). This is clearly against the Helsinki MoU and holds the potential to reignite conflict in Aceh (Box 7.8).

#### **Box 7.8: Provincial Secessionist Movements: ALA and ABAS**

Two separate drives to partition the province of Aceh into separate provinces—one which originated during the latter years of the conflict, the second of more recent origin—are fuelling tensions in regions of the province far from the capital Banda Aceh.

The proposed new provinces are:

**Aceh Leuser Antara (ALA)** comprised of the central highland districts of Bener Meriah, Aceh Tengah, Gayo Lues and Aceh Tenggara together with the south-western coastal district Aceh Singkil and the city of Subulussalam; and



**Aceh Barat Selatan (ABAS)** from the west coast districts Aceh Jaya, Aceh Barat, Nagan Raya, Aceh Barat Daya, Aceh Selatan, and Simeulue.

The Helsinki MoU notes that ‘the borders of Aceh correspond to the borders as of 1 July 1956’.<sup>180</sup> Many provincial politicians (i.e., those opposed to the new provinces) interpret this to mean that the MoU formally, unambiguously and irrevocably confirms Aceh’s unity as a province. GAM negotiators were adamant that such language be inserted into the MoU, fearful of the ‘divide and conquer’ strategy already applied in Papua, where the Megawati government’s interest in weakening the Papuan independence movement co-opted local elites who stood to benefit from the creation of new provinces.<sup>181</sup>

Although the current President and national parliament have made it clear that they do not support the creation of two new provinces at this time, the issue continues to simmer in Jakarta and the affected districts, punctuated by demonstrations and political action. Worryingly, there are close connections between the leaders of the movements for new provinces and anti-separatist groups that were aligned with—some say created by—the Indonesian armed forces during the conflict.<sup>182</sup>

Proponents of the two new provinces put forth four main arguments. First, pointing to the uneven levels of development in Aceh, they argue that the provincial government neglects highland and west coast communities in investment in infrastructure and development of human and natural resources. Aceh’s main highway runs along the province’s densely-populated north coast—the home of the GAM movement—and most economic development is concentrated along this coast. Second, they suggest that the creation of new provinces would generate new employment opportunities in ALA and ABAS. (This vision does seem to extend beyond the initial spike in hiring of new officials to fill positions in the newly-created provincial government apparatus, and the construction of new government buildings).

*I think it would be good if we established our own province, so that we would have our own funds. If we did that then there would be more employment opportunities for our children in the future. That would be great, I totally support provincial secession and we can have our own province.*

–Village resident, Sawang sub-district, Aceh Selatan<sup>183</sup>

Third, many local leaders point to the fact that the Aceh conflict only began to seriously affect the highland districts during its final and most brutal phase. Anti-separatist groups blame the infiltration of GAM insurgents from the north coast for the rise in violence in their region, and see secession as a political break that would help isolate them from future conflict.

*If ABAS is established we will guarantee regional security in a united front between Front Cempala, TNI, and POLRI.*

– Head of Front Cempala, a local PETA group, Kawai XVI, Aceh Barat

Finally, they claim that provincial politics are dominated by ethnic Acehnese from the north coast, which implicitly leaves the concerns of ethnic minorities, such as the Gayo, Alas and Javanese migrants, unrepresented and unaddressed.<sup>184</sup>





Of the two movements, ALA is the better organised and enjoys stronger support within its constituent districts. The idea of ALA has deeper roots than ABAS, dating back at least to 2000.<sup>185</sup> ABAS activities and support, on the other hand, appears largely confined to the main towns in its constituent districts, with most rural citizens ignorant of the movement.

At the community level, despite the arguments and quotations presented in Box 7.8 above, there are mixed feelings about these movements. Some community members perceive the plans for the creation of new provinces as projects for the enrichment of the political elite, rather than a sincere effort to improve the quality of life for poor people in regions of Aceh.

*In general the communities here do not support the ALA movement. It's merely the project of officials (Bupati and district government) that's been forced upon the people through the village heads. They even asked people to contribute money to pay for the village head demonstrations in Jakarta ... ALA was not the initiative or aspirations of the community, but rather the desire of officials.*

—Head of an association, Aceh Tengah

*My friends at university, whether they are from Aceh Tengah or some other part of the ALA region, do not support the establishment of ALA province. Their reason is that ALA is merely for the 'harvest' of officials and the concerns of a [small] group of people.*

– University student, Aceh Tengah

Some powerful Jakarta politicians and national political parties—including both the Indonesian Democratic Party of Struggle (*Partai Demokrasi Indonesia Perjuangan*, PDI-P) and elements of Golkar—have in the past voiced their support of the two new provinces. President Yudhoyono, meanwhile, has set a temporary national moratorium on *pemekaran* (subdividing provinces and districts) until after the 2009 elections, and has expressed his opposition to the idea of splitting Aceh.

Some community members perceive the plans for the creation of new provinces as projects for the enrichment of the political elite, rather than a sincere effort to improve the quality of life for poor people in regions of Aceh.

In general, the 'foot soldiers' for ALA tend to be PETA and other anti-GAM activists from the conflict era, whereas for ABAS, the predominant group active on the ground is FORKAB.<sup>186</sup> 'PETA' is a name used to represent eleven conflict-era pro-Indonesian anti-GAM groups, while FORKAB was only established after the conflict, to represent the interests of former TNA combatants who had been 'won over' to the Indonesian side (Box 7.9).

As the Indonesian Government and security forces denied the existence of what GAM called "militias" in Aceh, or of any involvement in their genesis and activities, these PETA groups were not mentioned in the Helsinki Accords. They have therefore not been required to demobilise or disarm and remain potential spoilers of the peace process.



A sign for the unofficial office of the ALA parliament in Bener Meriah.

### Box 7.9: PETA and FORKAB: ‘Homeland Defenders’ and ‘Sons of the Nation’

Indonesia’s history is replete with the exploits of local irregular forces and self-defence groups. Indonesia’s campaign for independence after the Second World War was largely waged by local self-defence brigades along with remnants of the colonial army, now fighting for the Republic. During the early decades of Indonesia’s independence, numerous regional separatist groups challenged Jakarta’s authority.

It was not until the Suharto era that the Indonesian military and police were able to achieve a monopoly on organised violence in the country, which included a more formalised role for citizen’s groups in surveillance and socio-political control. Although mostly confined to neighbourhood defence against local criminal activity, the armed forces also applied this model of volunteer ‘homeland defenders’ for counterinsurgency activities in regions experiencing secessionist movements throughout Indonesia’s history as a republic. Names such as ‘*Unit Ksatria Penegak Pancasila*’ (Noble Warriors for Upholding Pancasila) and ‘*Bela Negara*’ (Defend the Nation) reflect the patriotic ideology of these groups.

The name PETA—*Pembela Tanah Air* (Defenders of the Homeland) has its origins in World War II, when occupying Japanese troops trained local volunteer brigades to resist Dutch re-occupation of the archipelago. Actually, none of the eleven anti-separatist groups in Aceh called themselves by this name, but this is being used as a generic term for all anti-separatist organisations in the post-conflict period. Although not obliged to do so by the MoU, the Government, through *Dinsos* and *Kesbanglinmas*, had provided reintegration funds to 5,000 members by the end of 2008, with an additional 1,500 members to be assisted in 2009.<sup>187</sup>

In most of the predominantly Acehnese parts of the province, anti-separatist groups are essentially defunct, coming together only to lobby for reintegration assistance. However in ALA and ABAS, the close links between former anti-separatist groups and politicians pressing for partition of the province is a cause for concern.

FORKAB (*Forum Komunikasi Anak Bangsa*, the Communication Forum for Sons of the Nation) came into existence in Aceh after the Helsinki MoU, but has its origins during the conflict years. FORKAB is an association of ex-TNA fighters who surrendered or were captured and imprisoned by the military during the conflict, and who ‘went over’ to the Indonesian side. FORKAB maintains close ties with the military, from which it receives most of its funding. Other funding sources include contractors and businessmen.

In the province’s southwest, FORKAB members are the ‘foot soldiers’ of the movement to form the new province of ABAS, and their numbers represent a countervailing force against KPA and Partai Aceh’s attempts to consolidate political control of the province.<sup>188</sup> BRA facilitated reintegration assistance paid by the Regional Office of Social Affairs to over 3,000 individual GAM who had surrendered before the MoU (GAM menyerah) or were ‘rehabilitated’ (GAM binaan) based on lists provided by *Kesbanglinmas*. Many of these were FORKAB members. A portion of these funds were reportedly withheld by the organisation to use to support the ABAS movement.





*In Meulaboh, FORKAB and the Preparatory Committee for the Establishment of ABAS Province share the same office.*

*We will defend ABAS with our lives; anyone who obstructs it will then have to face us. As long as FORKAB exists, we won't let anyone disrupt the partition process.*  
 – Head of FORKAB and KP3 ABAS in Aceh Barat district.<sup>189</sup>

It is extremely unlikely that the provincial partition movements will get much traction in the aftermath of the April 2009 parliamentary elections—they would require the approval of the Aceh provincial parliament, which will not be forthcoming, and the current moratorium on pemekaran will most likely be extended after the 2009 presidential elections. Nonetheless, the ‘root causes’ that have driven these movements—resentment over ethnic Acehnese domination of politics and resources; unequal economic development, infrastructure and service provision; contestation and manipulation among local elite factions; ethnic chauvinism and populist politics—remain.

It is extremely unlikely that the provincial secessionist movements will get much traction in the aftermath of the April 2009 parliamentary elections.

Furthermore, the continuing existence of PETA groups, and their possible manipulation by local leaders to fan ethnic or regional identity-based politics and oppose Acehnese ‘domination’ of politics and resources, represent a potential conflict flashpoint.

### Elections and Political Parties

As previously mentioned, there has been much progress towards political normalisation in Aceh. Nonetheless, there is disquiet over some more systemic problems already apparent in the 2006-07 *pilkada* elections, and which appear more institutionalised in the 2009 contest.<sup>190</sup>



*Two signboards in central Aceh. The one on the left states that those who destroy peace are our common enemy. The other sign welcomes people to ALA province.*

The nature of many party campaigns, particularly that of *Partai Aceh*, undermined the legitimacy of the results and created feelings of both disenfranchisement and entitlement. The boundaries between populism, patronage and 'money politics' are blurry in Indonesian electoral politics; post-conflict Aceh is no exception. Candidates become indebted to their backers and party leadership; local KPA commanders were instructed to deliver blocs of voters; localism and ethnic chauvinism were exploited during the campaign.

Leading up to the April 2009 election, at least six people were killed in what many perceive to have been political assassinations, and party offices and vehicles were bombed and torched in several districts. KPA forbade members to vote for any party other than *Partai Aceh*, and members of the public aligned with other parties faced threats and intimidation, such as this poetic text message sent to FORKAB members in some northern coastal districts:

*A young child gathers rattan in the mountains of Meureudu / find the best to make a basket / now it is almost election season / it is time to choose a throne for the king / head over there to GAM's party / have no doubts my brother / whoever does not choose the descendents of Acehese kings / just move to Java / no need to stay anymore in Aceh / just get the hell out of here*<sup>191</sup>

Most Acehnese clearly favour the peace process and view the future with optimism, although this is tinged with realistic concerns grounded in their experience of a long cycle of conflict.



Defaced Partai Aceh poster in Banda Aceh, February 2009.

The MSR asked civic and government leaders about their perceptions of Aceh's democratic health. Many expressed cautious optimism.

*The spirit of democracy is great, even if the quality is not yet there.*  
– NGO Leader, Banda Aceh<sup>192</sup>

Interestingly, leaders from international agencies and provincial-level leaders were most optimistic, with national and local leaders expressing more reservations. Businesspeople and ex-combatants (both KPA and PETA/FORKAB) were less sanguine than most other groups.<sup>193</sup>

### 7.5 Post-Conflict Realpolitik

Aceh is politically vibrant but tensions remain. The level of violence—and political violence in particular—has been very low since the signing of the MoU. Most Acehnese clearly favour the peace process and view the future with optimism, although this is tinged with realistic concerns grounded in their experience of a long cycle of conflict. Aceh has held two largely peaceful elections in the post-MoU period. Voter participation levels, including by former combatants have been very high.



Levels of social cohesion are high, and groups such as former combatants, returnees and conflict victims are playing an active role in village life. General levels of trust in Aceh far exceed those in most post-conflict contexts. While public faith in higher levels of government remains a challenge, communities are extremely trustful and express high levels of satisfaction with village government and institutions. This provides important insights into effective means to channel post-conflict assistance in the future. Additional training of village government leaders and committees to plan and manage distribution of post-conflict assistance will efficiently increase public participation in, and satisfaction with, progress on post-conflict reintegration and reconstruction.

Nevertheless challenges remain. Disputes over perceived inequities in the distribution of post-conflict assistance rose until the end of 2008. A growing gap between an elite class, including ex-TNA officers, who are benefiting disproportionately from government largesse and contracts, and others, is emerging. There is widespread concern over the unchecked influence of KPA in the new Acehese political landscape, though to date, most conflict incidents have been quite localised, relating to specific contracts or disputes. Moves to split Aceh into three provinces will heighten conflict if realised. Intimidation, sometimes violent, is still employed to shape political choices. These issues will need to be dealt with if peace in Aceh is to hold.

The most fundamental challenge facing the peace process in Aceh is the transition of all conflict-affected groups from their conflict-era identities, to new roles in a peaceful Acehese society and polity. This is particularly imperative for former combatants—both ex-TNA combatants and commanders and former ‘pro-Indonesia’ groups—but also applies to all other groups, such as conflict victims and displaced peoples.

Aspects of the distribution of reintegration assistance (Chapter Six), as well as of electoral and political processes (this Chapter), have contributed to the persistence of conflict-era identities and structures, and encouraged some groups and individuals to carry on with practices and behaviours that have their roots in the conflict period.

The most fundamental challenge facing the peace process in Aceh is the transition of all conflict-affected groups from their conflict-era identities, to new roles in a peaceful Acehese society and polity.



*The district level office of SIRA party in Bener Meriah.*







# 8

## Managing Post-Conflict Aceh: Governance and Institutions

Lasting peace in Aceh will require the development of strong institutions and governance. These will be necessary to promote growth, development and poverty reduction, as well as to manage tensions, problems and the ongoing implementation of the peace process. Crucial to the success of institutions will be their capacity and willingness to engage a wide spectrum of society.

This chapter examines first the current institutional and governance arrangements for managing the peace process and post-conflict reintegration in Aceh, and their strengths and weaknesses. The discussion then shifts to the connections between short-term reintegration and broader development programs, and means of strengthening these links. It then looks at broader governance issues facing Aceh and the best ways of addressing these.

Key findings include:

- As the Aceh peace process is led by the national and provincial governments, it differs from many other post-conflict programs worldwide. This situation provides many unique opportunities, but has also led to some limitations and constraints flowing from inadequate capacity and governance.
- The mandate of BRA is broad but constrained in implementation and contested despite a recent Governor's Decree. BRA's performance is constrained by limited authority, lack of institutional consensus with Jakarta, overly ambitious planning, funding delays, inadequate capacity and organisational problems.
- The roles of national, provincial and district line agencies in the peace process are vague.
- Initial attempts to mainstream post-conflict programs into regular government departments, principally Presidential Instruction No. 15, 2005, faltered so reintegration assistance has been dispersed and managed in isolation from line ministry programs.
- International experience and expertise is not being effectively utilised or provided to support the peace process in Aceh. Most international agencies have pursued their programs without adequate coordination with each other or government.
- Recent local initiatives and improved transparency and efforts to tackle corruption are welcome and need to be further supported. However, Aceh during the conflict had a reputation as one of the most corrupt provinces in Indonesia and some predatory practices from the conflict period continue. This is compounded by limited capacity, another legacy of the conflict era.
- TNI are still cautious toward the activities and motives of KPA and GAM members and are taking an assertive interpretation of its mandate to secure the sovereignty and integrity of the



state. The police's record in solving crime has improved but there is still a need to develop its investigative capacity, professionalism and relationship with the public.

- Rural communities in Aceh have high levels of trust in village government and customary institutions, which can play an important role in consolidating peace.

## 8.1 Institutional Responsibilities for Peace

The Governments of Indonesia and Aceh have led the implementation of the peace process in the province. This differs from many other post-conflict contexts where international bodies take a leading role in developing strategies, providing coordination and funding and delivering programs (Box 8.1).

Indonesia's strength as an emerging middle-income state, combined with the structure of the Helsinki peace accords, has resulted in a government-led process in Aceh. International donors and civil society in Aceh also play important roles in the peace process. Yet coordination between different groups has often been less than optimal.

### Presidential Instruction No. 15 of 2005: A Framework for Reintegration and Peaceful Development

Three months after the signing of the Helsinki MoU, the Indonesian President issued Presidential Instruction No. 15/2005 on the Implementation of the Memorandum of Understanding between the Government of Indonesia and the Free Aceh Movement. This set out the roles of, and issued instructions to, the 20 ministries and other government agencies responsible for various aspects of the reintegration and peace building process.

Some of these instructions dealt specifically with the immediate follow-up of the peace accords—such as troop withdrawal and support for the AMM—but they also included instructions to individual ministries and other government agencies on the longer-term peace process and economic and political normalisation in Aceh. The Instruction embodied a bold and innovative strategy for immediately placing responsibilities for managing the peace process within national and provincial government structures.<sup>194</sup>

Indonesia's strength as an emerging middle-income state, combined with the structure of the Helsinki peace accords, has resulted in a government-led process in Aceh.

That said, the directives set out are quite broad and somewhat vague. Moreover, actually implementing a number of the instructions would have presented tremendous challenges (See Annex Nine). Different ministries and agencies have assumed differing levels of engagement in the peace process and recovery effort. In effect, this 'mainstreaming' concept has not eventuated, with a few central government agencies assuming more of a 'gatekeeper' role, and most provincial government line agencies only marginally involved—if at all—in peace-building programs. In this way, the implementation of the Instruction has not been carried out systematically nor fully.

The main coordination role for the implementation of the Instruction and the coordination of all plans and policy related to the MoU is allocated to the Coordinating Ministry for Politics, Legal and Security Affairs. The Coordinating Ministry is also charged with solving problems together with relevant agencies arising from the implementation of the MoU and supervising, guiding and evaluating the implementation of the MoU. It oversees eight other agencies and institutions in the Instruction. The two other Coordinating Ministries in the Cabinet also oversee a number of agencies and institutions in the Instruction as spelled out in Table 8.1.

Despite coordination efforts and directives to action towards these agencies by the Coordinating Ministry for Politics, Legal and Security Affairs, these have not been translated in to concrete actions. Failure of proper delegation of authority and responsibilities, and subsequent follow-

**Table 8.1: Institutions and Agencies in Presidential Instruction No. 15, 2005**

Coordinating Ministry for Politics, Legal and Security Affairs			
Coordinating Ministry for Politics, Legal and Security Affairs	Coordinating Ministry for Economy	Coordinating Ministry for People's Welfare	Other Agencies and Institutions
<ul style="list-style-type: none"> <li>• Ministry of Home Affairs</li> <li>• Ministry of Foreign Affairs</li> <li>• Ministry of Defense</li> <li>• Ministry of Law and Human Rights</li> <li>• Attorney General</li> <li>• Indonesian National Police</li> <li>• Indonesian Armed Forces</li> <li>• State Intelligence Agency</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Finance</li> <li>• Ministry of Information and Communication</li> <li>• Ministry of Transportation</li> <li>• Ministry of Manpower and Transmigration</li> <li>• BAPPENAS</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Social Services</li> </ul>	<ul style="list-style-type: none"> <li>• BRR</li> <li>• Aceh Governor's Office</li> <li>• National Land Agency (BPN)</li> </ul>

Source: Presidential Instruction No. 15 of 2005.



up has been a factor in the lack of overall strategic planning and broad-based government implementation in the peace process.

One result of this has been a tendency amongst the agencies involved in assistance aspects of the peace process to lay sole responsibility for reintegration programming on BRA. Annex Nine offers a more detailed assessment of the Instruction and the various roles of the agencies and institutions within it.

Recently, a new Presidential Regulation has been issued amending and updating the original 2005 Master Plan for the Reconstruction and Rehabilitation of Peoples' Livelihoods in Aceh and Nias, which is to be followed by a new Presidential Instruction on the Acceleration of Development in Aceh and Nias.<sup>195</sup> This instruction will reiterate (and hopefully strengthen) the roles and responsibilities of national government agencies in supporting local and provincial government in implementing recovery and development efforts.

There is a perception among some in Jakarta that peace has been achieved. Some believe that—through a combination of post-tsunami recovery aid, post-conflict reintegration assistance, and the special autonomy fund and oil and gas revenue-sharing arrangements set out in the LoGA—Aceh has already received sufficient support, and should henceforth receive the same treatment as any other Indonesian province.

Such a view discounts the significant roles that different national government agencies can and should be playing in the social and political recovery processes currently underway in Aceh. Others in Jakarta and Aceh are reluctant for the central government to become too involved in the recovery process due to issues related political sensitivity of Aceh's autonomy.

### Box 8.1: The Aceh DDR Process in Comparison

The DDR process in Aceh features a number of unique characteristics, complexities and challenges.<sup>196</sup>

- The Helsinki MoU peace agreement was signed eight months after the Boxing Day 2004 tsunami, which set in motion one of the largest international relief programs in the history. The focus on tsunami reconstruction overshadowed the importance of DDR and peace-building for Aceh's long-term development.
- The majority of insurgents frequently returned home to visit their families making it fairly easy for them to return after the signing of the MoU. In many communities, they were welcomed back as heroes.
- As with other conflicts, the war in Aceh led to mass displacements of the population. However, most displaced people returned to their home villages as soon as the danger subsided. In total about 600,000 people, or fifteen percent of the Acehnese population, were displaced at some time during the conflict.
- Indonesia is a large country, with a stable government and growing economy. Strong central and functioning provincial and district governments in Aceh were able to take a leading role in the DDR and peace-building processes from the outset, with international actors playing more of a supporting role. This is different from other DDR contexts in failed or weak states, where international agencies usually take the leading role, helping the development of national and sub-national level institutions to incrementally take control of longer-term reconstruction and development.
- Indonesia has been able to devote considerable resources to the reintegration of former combatants and conflict victims. The Helsinki MoU also contained provisions for a radical realignment of the funding allocations between the centre and province, providing local government with vastly expanded resources to support long term economic development and improved service delivery.
- The tsunami brought a large influx of international aid workers and focused global media attention on Aceh. This acted as a proxy monitoring system for the MoU on top of AMM's official role, and led to greater caution by parties to the peace process.
- The Indonesian government attempted to mainstream reintegration into existing structures and programs. Nonetheless, reintegration assistance has been conceived and managed in isolation from broader recovery and development objectives and institutions. Inadequate monitoring mechanisms and protocols have made it difficult to gauge the effectiveness of assistance and to formulate longer-term recovery strategies.



### National Structures

At the national level, the political and security focus of the pre-existing Aceh Desk at the Coordinating Ministry for Political, Legal and Security Affairs has been broadened to include economic, social welfare, justice and human rights concerns. The Aceh Desk chairs an Aceh Peace Communication and Coordination Forum (Forum Komunikasi dan Koordinasi Damai Aceh—FKK) based in Jakarta with an office in Banda Aceh, with members initially from a broad range of institutions such as the national security apparatus, provincial government, civil society and ex-GAM.



When established in April 2007, FKK was intended to serve as a neutral forum for the facilitation of the peace process and resolution of pertinent problems and issues. However, over time it has changed to effectively become the central government's representative body in Aceh and it no longer has broad membership.

Presidential Instruction No. 15 further charges BAPPENAS with coordinating the planning for implementation of the obligations set out in the Helsinki MoU, and coordinating with international donors to mobilise and allocate funding for the reintegration effort.

BAPPENAS has played a central role in coordinating the disbursement of government reintegration funds. BAPPENAS receives and reviews funding requests (and reports) from BRA (see below) before these are forwarded to the Ministry of Finance and on to the Budget Committee of the National Parliament (DPR) for approval. Once approved, the Ministry of Finance disburses the funds to the Department of Social Affairs (*Depsos*) who then forwards the money to the Provincial Department of Social Affairs or *Dinsos*, see below) for distribution to the targeted beneficiaries. As the new special autonomy fund and oil and gas revenue sharing arrangements set out in the LoGA come on line, this arrangement is being phased out.

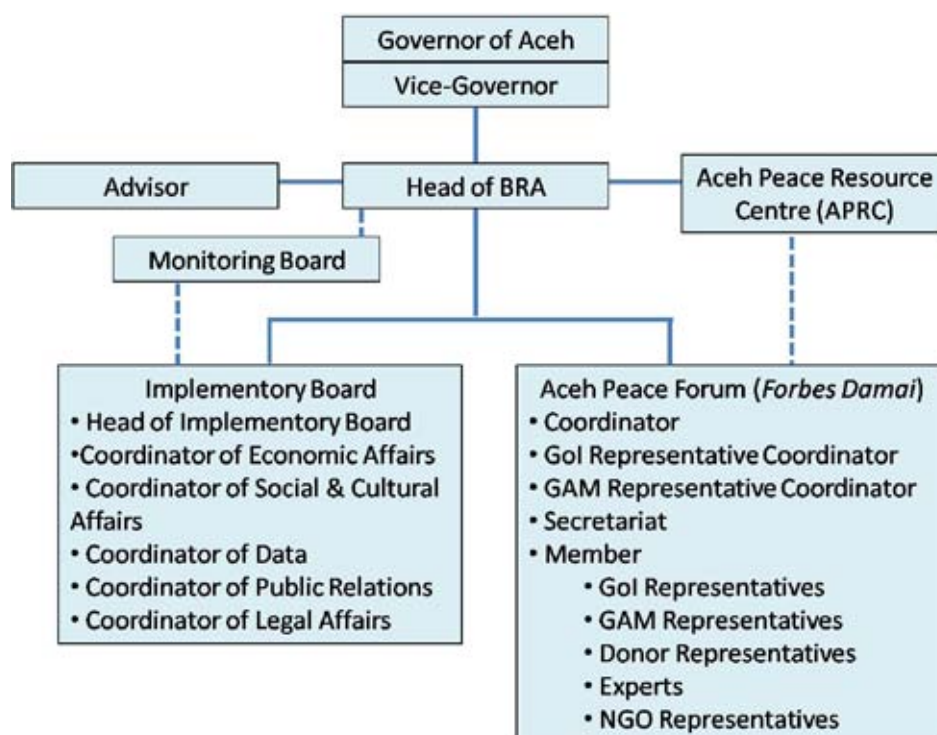
### Provincial Structures

Responsibility for post-conflict reintegration falls almost entirely to BRA. BRA was established by a Governor's Decree in 2006 and was assigned the role of developing and monitoring policies, mechanisms, and procedures to implement reintegration and the peace process, and to advise the Governor on these matters.

BRA was intended to serve as a post-conflict equivalent to the BRR, responsible for overseeing the post-tsunami response. Both BRR and BRA were established as special temporary agencies



Figure 8.1: Former BRA Structure



Source: Governor's Decree 330/145/2007





Young girls participating in peace education and trauma healing activities in Aceh Selatan.

to coordinate recovery efforts. However, unlike BRR, which was a national government, ministry-level institution, BRA is a provincial-level agency, reporting to the Governor rather than the national cabinet. BRA determines the allocation of funds but does not directly hold them. These funds are handled by *Dinsos*. BRA has its own team of technical staff. Until recently, BRA was also complimented by two mechanisms—Aceh Peace Forum (*Forbes Damai*) and APRC—which were tasked with supporting the work of BRA (Figure 8.1).

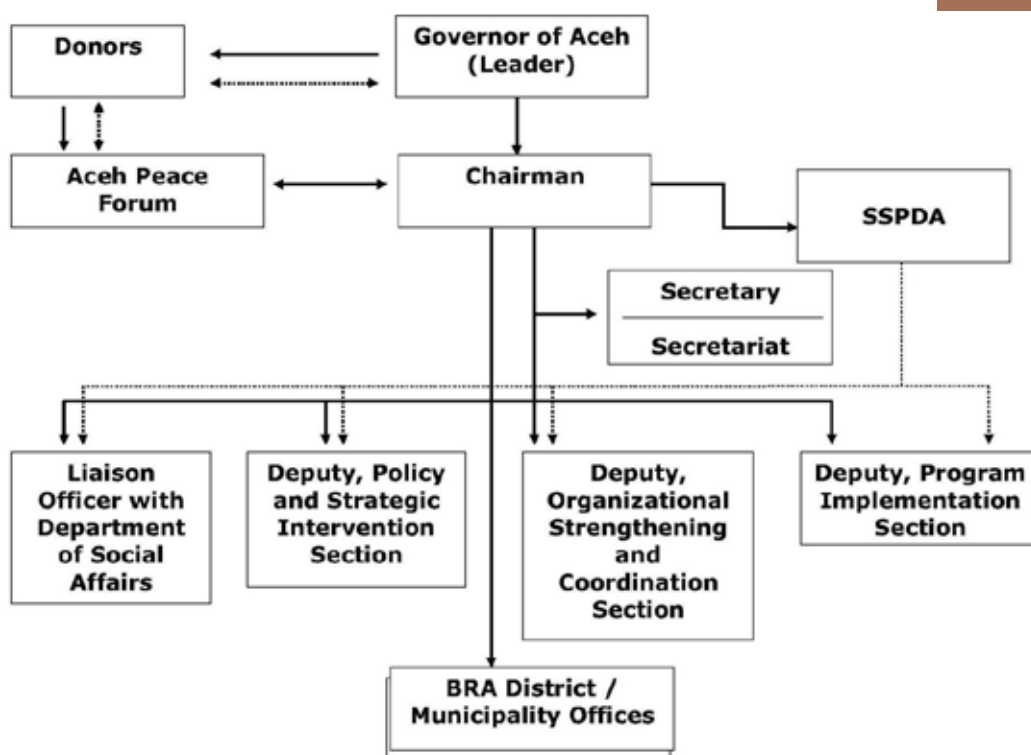
*Forbes Damai*, with 33 members from provincial and national

government, civil society, business and international partners, was established to provide recommendations on reintegration programs and approaches and ad-hoc advisors also provide input at BRA's request. Initially, Forbes was a mechanism that allowed multi-stakeholder discussion and inputs to the government. However, over time it lost momentum and has been inactive since mid-2008.

APRC was established in 2007 with a Governor's Decree to provide advice, undertake coordination, and give administrative and logistical support. In this role,

BRA was established by a Governor's Decree in 2006 and was assigned the role of developing and monitoring policies, mechanisms, and procedures to implement reintegration and the peace process, and to advise the Governor on these matters.

Figure 8.2: Current BRA Structure



Source: Governor's Decree 330/320/2009

APRC facilitated meetings of the Commission on Sustaining Peace in Aceh (CoSPA) and *Forum Silaturahmi dan Komunikasi Antarpeserta Pemilu* (Forum for Good Relations and Communications Amongst Election Participants, Forsikom). APRC transformed into a local NGO and is no longer part of BRA in the revised structure according to the Governor Decree promulgated in June 2009.

Prior to the June 2009 Governor's Decree, BRA through APRC had been hosting meetings of the CoSPA. CoSPA was established in February 2008 to coordinate and monitor issues related to the MoU and the broader peace process, taking up some of the roles previously carried out by the Aceh Monitoring Mission (AMM).<sup>197</sup> Representatives of the Indonesian Government, military, the police, KPA, US and the EU were attending CoSPA meetings. Other relevant organizations, including from civil society, were invited on an ad-hoc basis. BRA has committed to continue holding CoSPA subject to internal review and restructuring.

In an initiative to coordinate peaceful elections held in April 2009, APRC with support from USAID-SERASI managed Forsikom for political parties participating. Through Forsikom, the 43 political parties contesting the April legislative elections met regularly to discuss election-related issues and issued a joint statement supporting peaceful elections in Aceh.

BRA was restructured by the June 2009 Governor Decree. The new structure (Figure 8.2) represents an improvement over the previous model. BRA is basically comprised of several different bodies, each charged with specific roles.<sup>198</sup>

Programs are now implemented under the direct authority of the BRA Chairman. To improve collaboration between BRA and provincial government agencies, and to increase its capacity to work with government bureaucracy, under the revised structure, the former head of the provincial *Dinsos* has been appointed as BRA Secretary.

A Program Implementation Section has two divisions, for social and economic programs (see Chapter Five). A Secretariat includes divisions for data management (including verification of claims), public outreach and financial transfers. A separate section has responsibility for strategy development—something missing from the previous BRA structure—and there is another section for coordination and capacity-development.

An additional alteration to the BRA structure is the establishment of direct links between BRA and the SSPDA program currently managed by BAPPENAS and UNDP. The ultimate form and function of this link is still to be determined: SSPDA may become a BRA-coordinated funding mechanism to channel donor support for peace-building programs; alternately, it could serve as the conduit for UNDP and other donor technical assistance and capacity-building support to BRA only. Recently, however, the future of SSPDA itself has become unclear as EU funding finished in September 2009 and a new donor is yet to be secured.

Other provincial government agencies that have played significant roles in reintegration programs to date include *Dinsos* and *Kesbanglinmas*. The former, as previously mentioned, channels national government reintegration assistance to former combatants, amnestied political prisoners and conflict victims, under BRA supervision.

Prior to the establishment of BRA, *Dinsos* did manage some reintegration funds directly. *Kesbanglinmas* was responsible for handling the 'rehabilitation' of surrendered and captured TNA combatants during the conflict years, and therefore has been tasked with coordinating post-conflict reintegration assistance to those groups as well as the anti-GAM PETA (who were also not mentioned in the Helsinki MoU, and hence fall outside of BRA's mandate). *Kesbanglinmas* also coordinates with *Dinsos* on assistance to resettle or return conflict IDPs.



A special Coordinating Team has been established to develop a Master Plan for the utilisation of the estimated Rp. 78.6 trillion (US\$ 7.9 billion) additional revenue up to 2027 that the province will receive from the special autonomy fund and oil and gas revenue-sharing arrangement set out in the LoGA (see below).

The Coordinating Team, which is led by the Provincial Secretary, is tasked with advising the Governor on implementation policy, designing and improving allocation formulae, setting selection criteria for projects and programs, evaluating projects and programs funded through this mechanism, and providing technical assistance for district and municipal governments to prepare proposals. The Team is planning to have a chapter on conflict-sensitive development principles and strategies within its plan report.

Lastly at the provincial level, the election in late 2006 as governor of former GAM leader and university lecturer, Irwandi Yusuf, provided an important boost to the peace process. The fact that he was elected as an independent, heralded in a new era of politics in Aceh and Indonesia as a whole. Despite never having served public office, he has managed to keep the peace process and economy on track, maintain good relations with Jakarta as well as launch a number of bold initiatives such as the logging moratorium in April 2007 and the push for the Aceh Green framework.

### District Structures

BRA has offices in each district. Previously, district BRA staff were appointed by—and reported to—District Heads, at times creating confusion over responsibilities and authority.

Under Indonesia's decentralisation laws of 1999 and 2004, much of the responsibility—and budget—for government programs is devolved to district-level governments. The LoGA differs from this model, providing a greater role for the provincial government. To date, beyond granting contracts to former GAM commanders' contracting firms (see Box 6.2), district governments have been only peripherally engaged in post-conflict programming in Aceh, with very small proportions of district spending going to peace-building or post-conflict recovery activities.

### International Agencies

In addition to the role of AMM in monitoring the peace agreement, international donors, governments and NGOs have funded reintegration and other post-conflict programs and provided capacity-building to government agencies (see Chapter Five).<sup>199</sup>



*Women recycling wood to make furniture.*

Initially, most international agencies involved in post-tsunami reconstruction did not work directly on conflict or peace issues. In the aftermath of the tsunami, the Indonesian Government would only allow aid to enter Aceh if donors signed agreements not to engage in any conflict-related programming. However, over time a number of international agencies began to support post-conflict reintegration and development programs (Chapter Five).

Lastly at the provincial level, the election in late 2006 as governor of former GAM leader and university lecturer, Irwandi Yusuf, provided an important boost to the peace process.



*An early Forbes meeting in February 2007 at the Governor's residence.*

Initially, most international agencies involved in post-tsunami reconstruction did not work directly on conflict or peace issues.

Internationally, many post-conflict programs are financed through pooled international funding mechanisms. In Aceh and Nias, the Multi-Donor Fund (MDF) was established in 2005 to coordinate post-tsunami recovery, but a similar mechanism has not been created for post-conflict assistance, and the MDF was not allowed by its donors to support conflict-affected groups. As a result, and in part because of weaknesses in BRA's Forbes Damai mechanism, donors and aid agencies have implemented post-conflict programs with relatively little coordination and no common strategy.

Donor coordination for post-conflict recovery in Aceh has only lately begun to materialise, in a somewhat piecemeal fashion. A few programs are jointly managed and funded, such as SSPDA, managed by BAPPENAS and UNDP and supported

by EU.

A new program entitled Consolidating Peaceful Development in Aceh (CPDA) is being prepared with funding support from AusAID and the Government of Netherlands at least initially. It will be overseen by the World Bank's Conflict and Development Program (which is based in the Aceh MDF office). CPDA aims to strengthen national and local institutions to support the consolidation of peace and development in Aceh by building local government capacity, piloting innovative approaches to help vulnerable groups, enhancing local research capacity and transferring lessons learned for application in other post-conflict areas of Indonesia. Yet both SSPDA and CPDA are of limited size.

Two separate initiatives, instigated and financed by international actors, have sought to build communication and joint decision-making between former GAM leadership and the Indonesian government. CoSPA, discussed above, is one of these.

Two months prior to CoSPA's establishment in February 2008, another forum was established by



*The BRA Monitoring Board developing its plans as part of its capacity development support from the MSR.*





*A conference on mapping conflict in Banda Aceh in late 2007.*

the international NGO Interpeace and its Indonesian partner the Indonesian Peace Institute (IPI), aimed at facilitating communication on outstanding issues relating to the implementation of the MoU.<sup>200</sup> This forum, formally entitled the MoU Round Table (MRT) held its second meeting in Makassar in February 2008, and since that time has been known as the 'Makassar Group'. This forum operates in parallel with CoSPA.

The existence of two parallel—some say competing— fora for the discussion of post-conflict issues makes decision-making difficult. Each group has links to different 'cliques' within former GAM leadership. Until recently there was little dialogue or communication between the 'Makassar group' and CoSPA, nor was information about the outcomes of the 'Makassar Group' meetings been made available to the public.

In August 2008, BRA conducted a workshop with IPI, and IPI now attends CoSPA meetings, indicating that coordination between the two fora may be improving. Interpeace pulled out of Aceh in 2008 due to lack of funding but IPI continues. That said, CoSPA held its 17th meeting in mid-June, 2009 in Sabang and BRA is committed to its resumption post-restructuring.

### Security Apparatus

Under the Helsinki MoU the Government of Indonesia withdrew all 'non-organic' (non-local) military and police forces from Aceh.<sup>201</sup> The remaining police force is responsible for upholding internal law and order in Aceh; in normal peacetime circumstances, only 'organic' (Aceh-based) military forces are to be present in Aceh to uphold external defence.

Some in the TNI still distrust KPA and former GAM fighters, convinced that they are using the peace to regroup, recruit, and take control of village governments.<sup>202</sup> This suspicion is based on GAM's failure to dissolve itself, the suspected number of guns in the hands of ex-combatants, and the rhetoric of some of its members in the field.

In the lead-up to the 2009 elections, the TNI began redeploying troops in Aceh to areas considered as potential problematic, setting up village-level posts across the province. The military's security concerns were also a pretext to seek substantial additional funding at the district level, for trucks, equipment, meetings, and food and pocket money for troops.

At the same time, a new obligatory night watch patrol for all men went into force in different parts of Aceh, for the first time since the military emergency in 2003-2004. Such actions evince an assertive interpretation on the part of TNI leadership of clauses in the LoGA on TNI's role in 'the maintenance, protection, and defense of the integrity and sovereignty of the Unitary State of the Republic of Indonesia', and risk alienating members of the Aceh public.

TNI's claim of security concerns before the elections is not unfounded; the police in Aceh have often lacked effectiveness. The Helsinki MoU specified that Aceh would have 9,100 'organic' police, but this proved to be far too few. Before the 2006 local elections, more police were added, with ex-GAM leaders' agreement, with the total now around 13,000. However, many even in fairly senior ranks are poorly educated and even more poorly trained in policing skills.<sup>203</sup>

Some of the TNI still distrust KPA and former GAM Fighters, convinced that they are using the peace to regroup, recruit, and take control of village governments.

Improved law enforcement is crucial to the long-term success of the peace process in Aceh. In addition to the obvious benefits of detaining perpetrators and curbing crime, this would increase the faith of the Acehnese public, national government and local and outside investors in the durability of peace. The police have lacked the capacity to deal effectively with crime and violence. There are several likely explanations for this, including lack of training, insufficient numbers, family ties, economic collusion, and even fear.<sup>204</sup> To date, international support for police capacity-building in Aceh has been limited to human rights training and community policing programs.

That said, although police believe that only a small percentage of crimes in Aceh are reported, there has been a significant improvement with the rate for solving reported crimes rising from 33 to 70 percent between 2006 and 2008, which is above the national average.<sup>205</sup> Moreover, a new provincial police commander appointed in February 2009, Aditiawarman, was credited with strong action on unsolved crimes in Maluku, and boosting security and the rule of law following three years of violent conflict there, from 1999 to 2002. His appointment to the top police post in Aceh is a major step in the right direction, but more is needed.<sup>206</sup>

### Box 8.2: Shari'ah Law in Aceh

Aceh is the only province in Indonesia with the legal right to apply Shari'ah law outside matters related to family and inheritance. This came into force before the Helsinki MoU, when some national political leaders believed that offering Aceh Shari'ah could undercut GAM's appeal while restoring the Acehnese's faith in the central government. Conversely, many in Aceh perceived it as an attempt to make the Acehnese appear to be radical Islamic fundamentalists.

Law No. 44/1999 on the Special Status of the Province of Aceh, Government Regulation No. 5/2000 on the Implementation of Islamic Law, and Law No. 18/2001 on Special Autonomy for Aceh allowed for the creation of Shari'ah courts in Aceh with jurisdiction extending to matters of criminal justice. The LoGA includes 16 articles on Shari'ah. The first Shari'ah laws in Aceh were drawn up with little public participation by an unrepresentative parliament chosen in the 1999 elections that were boycotted by many Acehnese. Qanun 10/2002 on Shari'ah Law Justice embodies a narrowly conservative interpretation of Shari'ah, criminalising un-Islamic dress for women, gambling, the sale and consumption of liquor, and illicit relations between men and women (including being caught in close proximity), and specifies punishments such as public caning. It also mandated the establishment of a Shari'ah enforcement agency, known as Wilayatul Hisbah (WH).

There ensued a period of zealous enforcement, characterised by notorious incidents of and public humiliation of women. The Acehnese public's support for the force rapidly dwindled; in a 2007 poll, 87 percent of respondents felt that Shari'ah could solve the problems of the people of Aceh, but only 23 percent were happy with its implementation.<sup>207</sup>

Since the 2006-07 local elections, the direct involvement of local government in applying Islamic law has declined. Aceh's new Governor has quietly resisted efforts by the provincial Shari'ah Office (*Dinas Shari'ah*) to expand its brief, while public dissatisfaction with the WH has led to a significant drop in its activities, and a focus more on guidance than arrest and punishment.<sup>208</sup>

In an about-face to recent trends, on September 14, 2009, the outgoing Aceh parliament submitted a draft bill for a Qanun Jinayat or Islamic criminal bylaw that proposes to





impose harsh penalties for homosexuality and pre-marital and extra-marital sexual relations, including caning and stoning to death. The incoming parliament, led by Partai Aceh, together with the Governor, and possibly even the central government, will most likely water down or reject the bill outright due to possible violations of national criminal law and the constitution. Many human rights groups throughout the country are also opposed to it claiming that it violates international conventions that Indonesia is a signatory.

Even though the bill has yet to be passed in to law, sensational global media uptake of the draft bill story has arguably already negatively impacted on Aceh's image as a destination for national and international investment and tourism. There has also been speculation that this initiative by the outgoing parliament was more political than religious in nature and "meant as a political strategy to trap the newly elected parliament, dominated by their political foes, Partai Aceh and the Partai Demokrat, into a sharp polemic and potentially damaging political dilemma."<sup>209</sup>

## Civil Society and Local Leaders

Throughout the conflict, Acehnese civil society leaders and organisations played important roles in addressing the needs of conflict-affected groups and relaying their interests to government and concerned groups outside of Aceh. In the wake of the 2004 tsunami, many of these groups and individuals were quickly engaged by international agencies as staff and implementing partners for the relief effort. As the focus has shifted from tsunami recovery to post-conflict reintegration and peace-building, many still find themselves relegated to roles of implementers of other agencies' programs, rather than as full partners in the peace process. Their role in helping shape the broader reintegration program and strategy has been limited.

During the conflict, when much of government in the province effectively ceased to function, communities were dependent on their own resources, institutions and leaders to address needs and solve problems.

Aceh is also home to a lively community of anti-corruption NGOs and networks.<sup>210</sup> In conjunction with government anti-corruption bodies and Aceh's vibrant post-conflict media, these groups have helped expose many cases of misallocation and theft of government and project resources, contracting irregularities, and abuse of power by local government and project officials. However, in general, government and donors have failed to utilise their knowledge and networks to help ensure that their funds are spent effectively.

Customary leaders and institutions play an important role in Acehnese society. During the conflict, when much of government in the province effectively ceased to function, communities were dependent on their own resources, institutions and leaders to address needs and solve problems. Village-level institutions such as *Mukim* (charged with matters of land ownership and inheritance and inter-community relations), *Keuchik* (Village Head) and *Tuhapeut* (Village Council) were often the only effective government in rural areas. Again, there has been little formal utilisation of these institutions and individuals in support of peace.

## 8.2 Managing Reintegration

BRA has managed to directly facilitate individual assistance to approximately 20,000 conflict actors and 75,000 conflict victims as well as to another 230,000 conflict victims through its former community-based BRA-KDP program. There were high expectations for BRA to deliver sound and sustainable programs to assist former combatants, pardoned political prisoners and conflict victims on its establishment in early 2006. Yet since then, the agency has frequently been

embroiled in controversy. Although it has delivered assistance to hundreds of thousands, some in both Aceh and Jakarta feel it has been less than fully effective. BRA's (and as a consequence, the reintegration program's) difficulties derive from a variety of sources, including limited staff capacity, a narrow interpretation of reintegration by the central government, lack of institutional consensus with Jakarta, overly ambitious planning, limited authority, and funding delays.

### **BRA's Mandate and Authority**

In successive Governor's Decrees, BRA has been tasked with 'formulating programs for the reintegration of former GAM into society in the fields of government, political participation, integration, and community empowerment in the social and economic spheres', and with 'undertak[ing] coordination with district and municipal governments on guidance for former combatants and amnestied political prisoners' and 'undertak[ing] coordination with relevant government agencies on the implementation of reintegration of former GAM members into society'.<sup>211</sup> These instructions are mirrored in the Vision and Mission Statement of the agency's own *Rencana Strategis* (Strategic Plan, *Renstra*) from November 2007.<sup>212</sup>

However, in practice, this broad mandate has not been implemented. To date BRA's role has been to facilitate government reintegration funds to former combatants and conflict victims. Often due to its limited authority, it has had limited input in to the Government of Indonesia's overall approach for implementing the peace process and it has not been able to engage meaningfully with relevant agencies in the Aceh provincial government on conflict recovery issues. At this time, regular government agencies tend not to take responsibility in addressing post-conflict needs and accommodating conflict-sensitivity into their programs, but rather just claim that such work is BRA's job.<sup>213</sup> BRA has also not been involved in fields such as community empowerment (aside from with BRA-KDP) and political participation.

Few in Aceh realise the limits to BRA's powers. Most assume that the agency manages reintegration funds in the same way that BRR managed reconstruction funds.

The central government has interpreted the MoU as meaning that all assistance must be to individuals and not communities. This reintegration assistance overseen by BRA is channelled through the provincial *Dinsos*. BRA has complained that they have been obliged to adopt *Dinsos*' aid delivery modality, which involves verifying beneficiary names and bank account details and disbursing funds directly to beneficiaries' bank accounts. This has limited its ability to undertake community-based programming and forced it to focus solely on compensation-type approaches, which for the most part have had limited impact.

BRA's operations have also been hamstrung by serious delays in the disbursement of funds from Jakarta. The causes of these delays lie both with BRA and other government agencies, including the obduracy of some members of national parliament, delays in submission of budgets and reports by BRA and *Dinsos* to BAPPENAS and the Finance Ministry, and some disagreement over the appropriate sources of funds. BRA receives some additional funding from the Aceh provincial government, but this has also often been delayed, largely due to obstructions in the provincial parliament.

With large numbers of eligible beneficiaries still waiting to receive assistance, BRA's original mandate has been extended, with a tentative target date of 2010 for completion of the reintegration program. However, according to BRA, achievement of this target is contingent on the agency receiving sufficient funds. For 2009 operations, BRA requested Rp. 550 billion (US\$ 55 million) from the national government and Rp. 250 billion (US\$ 25 million) from the provincial government. National and provincial parliaments approved only Rp. 200 billion (US\$ 20 million) (with the possibility of additional funds later in the year) and Rp. 100 trillion (US\$ 10 million), respectively, rendering it unlikely that BRA will be able to fulfil its mandate during 2009.

For 2010 BRA has requested Rp. 645 billion (US\$ 64.5 million) from the provincial government alone for housing construction (7,212 units), victims of conflict (23,245 individuals), the conflict disabled (2,000 individuals) and for *diyat* (30,128 individuals).<sup>214</sup>

Due in part to a lack of operational funds, BRA has not been successful in communicating (the limits of) its mandate to the people of Aceh. BRA is largely dependent on the central government for its funding<sup>215</sup> and on international agencies for developing its institutional capacity. Few in Aceh realise the limits to BRA's powers. Most assume that the agency manages reintegration funds in the same way that BRR managed reconstruction funds. Consequently, many people and the media in Aceh have unfairly blamed BRA for problems or delays, and there have been frequent public demonstrations by groups who feel they have not received their entitlements.

While BRA enjoys the strong support of the Governor of Aceh, it operates in something of an institutional vacuum, lacking similar support from the provincial parliament, and with few links to other provincial government agencies (other than *Dinsos* and, to a lesser extent, *Kesbanglinmas*). Ongoing support from the central government too is far from certain due to a lack of consensus between provincial and national authorities of remaining needs.

Annual extensions to BRA's mandate are based more on the fact that there are still some eligible recipients of reintegration funds who have yet to receive their entitlements, than a broader vision of the agency's and the wider governments role in guiding reintegration and peace-building policy, strategies and programs that are accepted by the provincial and national governments. At the community level, while there is some dissatisfaction with BRA's performance, people see the agency as a lifeline to the peace process and their only hope of assistance, and generally support its continuation.



### Box 8.3: Road Maps to Where?

There have been three principle road maps post-MoU for the Aceh peace process to date, namely, Presidential Instruction No. 15 (November 2005), the BRA Renstra or Strategic Plan (November 2007), and the BRA Comprehensive Action Plan (March 2009). None have taken a firm hold or looked to the longer term peace process.

Presidential Instruction No. 15, 2005, despite its innovative approach of immediately and directly involving 20 government agencies and institutions in the peace process, has not been systematically implemented or coordinated. After BRA was established in February 2006, agencies tended to associate any post-conflict programming with BRA rather than their own responsibility. This has prevented mainstreaming of conflict sensitive planning throughout the government. A re-review of this initial framework is needed four years on as more broad based conflict sensitive development planning gains importance.

The BRA Strategic Plan 2008-2010 draws upon the Governor's Decree of April 2007.<sup>216</sup> It spells out a range of ambitious roles for BRA up to the end of 2010 including supporting the formation of the Joint Claims Commission, Human Rights Court and Truth and Reconciliation Commission, increasing donor coordination, providing advisory services for the peace process and exiting at the end of 2010. BRA has been somewhat restricted by late arrival of funds, its own limited capacity and lack of necessary support to completely realize this strategic plan although aspects, such as provision of assistance to former combatants, have been achieved.

The Comprehensive Action Plan is a lofty framework that is currently in the process of being published. It is questionable how accepted it is within BRA itself as the way forward since it has featured little in subsequent strategic discussions undertaken by BRA. It is also the basis for cluster one of the broader Aceh Recovery Framework (ARF), which is as a whole floundering.<sup>217</sup>

All three frameworks have had their merits, however, they have not been able to provide solid guidance for the long term consolidation of peace in Aceh. While the MSR provides a foundation for future policies and programs to consolidate peace and development in Aceh, ultimately it is the national and provincial governments, and the people of Aceh that must design the road map.

### Constraints and Challenges

BRA's problems have been compounded by frequent changes in its leadership (early phase only), personnel and programs, and the lack of a prioritised and focused overarching strategy and work plan that takes in to account realistically available resources and has the backing of the central government.<sup>218</sup> Unlike many other post-conflict contexts, the Helsinki MoU was not accompanied by the development of a comprehensive strategy for reintegration and peace-building, due to the division of responsibilities between different government agencies and levels as set out in Presidential Instruction No. 15, inaction on the part of many of the agencies named in that document, and a reluctance of international actors to 'push' government.<sup>219</sup>

BAPPENAS, with inputs from BRA and local government and donors, developed an initial plan for reintegration programming, based on the relevant MoU clauses. Yet in practice, decisions on appropriate recipients, forms of assistance and distribution have been made on a piecemeal, year-to-year basis, as new funds became available. Any forward planning has focused more on eligibility and entitlement issues under the MoU (i.e., determining the numbers of beneficiaries within various groups) than on how aid should be delivered, what forms it should take, and how this fits into a broader strategy for peace-building.

BRA's experience in assisting conflict victims provides a good illustration of the consequences of this lack of strategic follow up. One of the first attempts to provide assistance was to solicit proposals for individual or group 'livelihood' projects, to be funded at Rp. 10 million (US\$ 1,000) per person. Within weeks, the agency had received over 68,000 proposals, and was forced to scrap the program because it lacked the staff resources to process all the proposals, and because the business support and skills training services required to support these activities were not available in Aceh.

BRA took out newspaper ads to announce that no more proposals



*Supporters of the MoU taking to the street in Banda Aceh on its one year anniversary.*

At the community level, while there is some dissatisfaction with BRA's performance, people see the agency as a lifeline to the peace process and their only hope of assistance, and generally support its continuation.





The founder of GAM, Hasan di Tiro during a visit to Aceh.

would be accepted. This was met with deep resentment and anger, especially since many people had incurred costs of up to Rp. 300,000 (US\$ 30), sometimes selling livestock or possessions, to pay agents and local officials to prepare proposals.<sup>220</sup>

In late 2006, BRA elected to channel funds through the established Kecamatan Development Program (KDP) network. Rp. 217 billion (US\$ 21.7 million) was disbursed to 1,724 villages in 67 sub-districts (one-third of all sub-districts in Aceh) during late 2006 and 2007 (see Box 5.6).

However, after just one round, the program was terminated due to a mismatch between the KDP approach, government procedural requirements and BRA's requirement to directly compensate individual conflict victims, rather than communities, even though many individuals were chosen by communities to receive assistance. Standard *Dinsos* procedures require that names, addresses and signatures be collected from individual conflict victim recipients of the assistance. KDP, which decentralises targeting and choice of fund use to communities, did not fit with this requirement.

Some within BRA also felt that the KDP program spread the funds too thinly and was also benefiting non-victims. The withdrawal of the program was met with anger by some communities who had been told they would receive support from the program the following year. Since the termination of the BRA-KDP program, economic empowerment assistance to conflict victims has continued in the form of direct cash grants to individuals with unclear impacts.

The MoU's focus on direct reintegration assistance to individuals and short timelines for expenditure of government funds to date have constrained any development of linkages between reintegration and more broad-based development initiatives. Little thought has been given to community (or beneficiary) capacity-building opportunities or to the outcomes of this assistance, nor has there been any follow-up support for recipients of the reintegration funds.

The lack of a government-wide strategic framework for delivering reintegration assistance and a reluctance by some donors to seek synergy or partnership with the government has also resulted in minimal coordination between government and donors. IOM's program to reintegrate former combatants and prisoners, for example, ran in parallel to BRA's program. Some ex-prisoners received assistance from both agencies, others from neither (Chapter Five). This lack of coordination has negatively affected resource mobilization for both BRA and other implementing agencies. International donors have been losing confidence to invest in BRA and are also unsure of what the remaining needs for the peace process are (Box 8.3).

The recently re-activated Aceh Peace Forum or Forbes Damai will hopefully address some of the coordination concerns. However, the initial meeting in late July, 2009 after its reestablishment was not well attended and therefore did not garner critical, multi-stakeholder support for the reestablishment of Forbes Damai. Indeed, the meeting only succeeded in: 1.) determining that a multi-stakeholder forum - perhaps taking the form of a Forbes Damai - was, in principle, a good idea; 2.) concluding that the Governor's Decree related to BRA, Forbes Damai and APRC required revision due to its excessive focus on GAM; and, 3.) electing a temporary director (Yarmen Dinamika).<sup>221</sup>

A soon to be published BRA strategic paper, 'Follow Up on the Helsinki Peace Framework: A Comprehensive Action Plan,' is a "first attempt at developing a comprehensive peacebuilding



strategy for the Aceh peace process” while “recognizing that continued work is necessary to produce a robust strategy capable of sustaining and strengthening peace in Aceh.”<sup>222</sup> The document states both the achievements of BRA but also candidly acknowledges its shortcomings to date. It sets out three pillars of Return, Reconstruction and Reintegration, Truth, Reconciliation and Social Cohesion, and lastly Peace Consolidation and Conflict Prevention.



*The beginning of a 'becak' peace tour throughout Aceh to commemorate the 3rd anniversary of the peace process.*

The plan has not been implemented.

On one hand the plan is extremely ambitious and clearly puts BRA in the driving seat of the peace process long term. It also requires substantial support if it is to be properly implemented. On the other hand, the need for BRA to transition its mandate to government ministries and agencies is recognized but there is no indication how or when this should take place.

Furthermore, at a strategy and planning workshop held on July 13 and 14, 2009 in Medan, BRA leadership and staff attempted to come up with a new vision and strategic plan for the agency's future. While a new action plan was not completed, there was general agreement that BRA should continue to exist for another five to ten years, and that its primary role should shift from coordinating disbursement of reintegration assistance to advocacy and facilitation of outstanding MoU issues (e.g., a Truth and Reconciliation Commission, Human Rights Court and Joint Claims Commission, see Box 7.6), supporting programs designed to build social cohesion such as dialogues, and implementing economic development, health and MoU socialization programs.



This type of support for the peace process was seen to be specialist and something that would be left behind if BRA did not take it up. The workshop also recommended that 'hard' peace building assistance, such as compensation and general recovery assistance should eventually be handed over to the normal government agencies.<sup>223</sup>

To implement these plans successfully, BRA will need long term commitments from the government, prove that it is capable of overcoming its shortcomings to date, and build trust with the wider community.

### Capacity Challenges

A third issue has been a lack of capacity within BRA, stemming from its limited temporary status, and also a lack of stable operational funds. This has created a vicious cycle, wherein donors have been reluctant to channel support through BRA, which in turn limits potential capacity-building within the agency.

Most BRA staff had little or no experience with Indonesian government bureaucracy or procedures prior to joining the organisation and there has been little on-the-job training. The appointment of a former head of *Dinsos* to secretary is aimed at strengthening this. The complex procedures put in place for beneficiary verification and delivery of aid consume staff energy and time, limiting their opportunities to develop insights or skills or more holistic approaches to reintegration.

The focus on verification and aid distribution has eclipsed consideration of more effective delivery mechanisms or the development of systems for follow-up support. The BRA Monitoring Council, for the first two years of its existence, served more as a 'complaints division' than as a monitoring and evaluation body.



A further problem with BRA's structure has also undermined its ability to achieve its objectives. Until recently, district-level BRA staff were appointed by, and answerable to, the District Head (*Bupati*) in each respective district, without any direct structural links to the provincial BRA. In many cases, these district-level appointments were tainted by patronage—as were some local verification procedures. The provincial BRA had no authority to intervene in such cases. Recent changes to BRA's structure should help address this problem.

### 8.3 Mainstreaming Conflict-Sensitive Development

Preceding chapters have already noted that most Acehnese, including former combatants and conflict victims, are benefiting from the overall growth in the Acehnese economy—more so than from direct reintegration assistance—and that most groups have experienced few difficulties reintegrating into their communities. Nonetheless, significant problems and threats persist. Certain groups and regions are not faring as well as the population at large, which could create new strains and tensions. Furthermore, Aceh's post-MoU political economy has created many new and lucrative opportunities for political entrepreneurs to engage in predatory and neo-patrimonial practices.

The most effective way to defuse these threats is to promote equitable economic growth and opportunities for communities and individuals throughout the province, while also taking steps to assure all groups' inclusion in social developments and political processes. Vastly increased government revenues (see below) provide the government with a unique opportunity to pursue broad-based, conflict-sensitive development in Aceh. To date, however, reintegration and peace-building programs have been pursued in isolation from 'normal' service delivery and development programming.

#### An Isolated Post-Conflict Program

The GAM-Gol conflict was still underway when the tsunami struck Aceh in December 2004; the Helsinki MoU ending the conflict was not signed until eight months after the tsunami. In their rush to provide assistance to tsunami victims, many international agencies signed undertakings that they would not 'interfere' in the conflict. By and large the US\$600 million Multi-Donor Fund (MDF) could not be used in conflict-affected areas that were

However, the BRA—a provincial-level agency—lacks the resources, personnel or authority to coordinate programs in the same way that BRR was able to manage the tsunami recovery effort.



*Aceh's legendary singer, Rafly, leading a music workshop with a theme of peace.*

not hit by the tsunami.<sup>224</sup> As a result, there has been a significant discrepancy between the aid reaching tsunami-affected areas and that to many heavily conflict-affected regions, creating an artificial dichotomy between post-tsunami and post-conflict Aceh.

The level of Government of Indonesia and international resources allocated for post-tsunami and post-conflict recovery differs by several orders of magnitude (US\$ 5.8 billion for tsunami recovery in Aceh alone, compared to only \$365.6 million to date specifically for post-conflict recovery, see Chapter Five). This separation of tsunami and reintegration assistance also meant conflict-sensitivity was not built into government, donor and NGO post-tsunami recovery and development programs, i.e., most of these programs were 'conflict blind'.<sup>225</sup>

A Government of Indonesia 'super-agency'—the BRR—was established to coordinate post-tsunami recovery programs. This was always viewed as a temporary expedient; the BRR was closed down in April 2009, and transferred responsibilities and handed over its assets to various national, provincial and district government agencies. This isolationist configuration seems to have been applied to post-conflict reintegration and recovery efforts as well. However, the BRA—a provincial-level agency—lacks the resources, personnel or authority to coordinate programs in the same way that BRR was able to manage the tsunami recovery effort.

As previously discussed, post-conflict assistance funds and programs have tended to focus on a narrow set of reintegration issues, primarily 'livelihood' assistance and housing support for individual ex-combatants and conflict victims. These have been implemented as one-off, stand-alone activities, without links to either ongoing tsunami recovery programs or the government's broader strategy for reconstructing and developing Aceh.

While such assistance is an important component of post-conflict recovery, there has been relatively little support for other vital areas such as infrastructure reconstruction and area-based economic development. In effect, 'post-conflict' and 'reintegration' assistance have become synonymous. There has been a failure to conceive and execute a conflict recovery and peace-building strategy that synchronizes short-term reinsertion assistance with other funds and programs in the province that will be necessary for longer-term peaceful development such as security sector reform, transitional justice, and return and resettlement of IDPs.

### Utilising Aceh's Resources

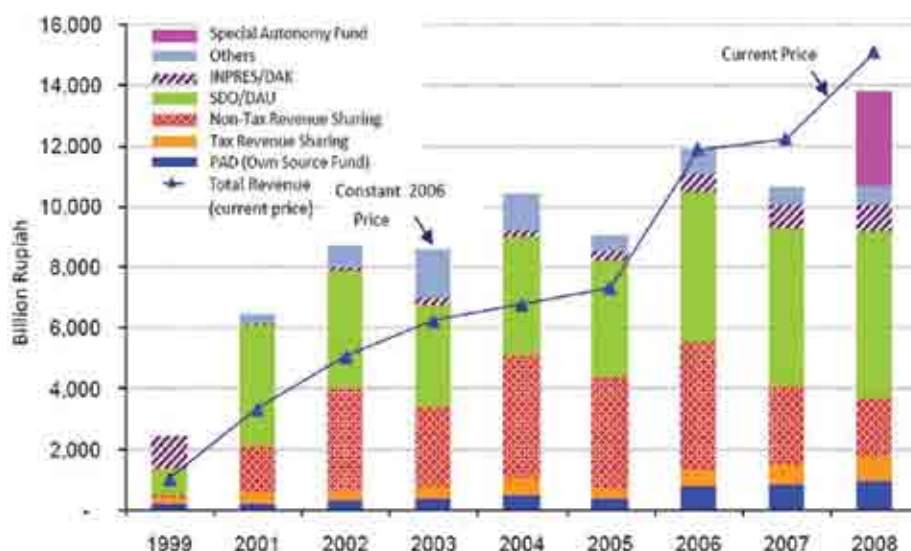
Significantly increased fiscal resources allows the provincial and local governments in Aceh to improve services and undertake a variety of programs to stimulate the economy and enhance people's welfare, supporting broad-based recovery while also improving communities' perceptions of the state—all factors necessary for sustainable peace.

Aceh now has the third highest per capita revenues in Indonesia, after Papua and East Kalimantan, double the national average. Aceh's regular revenues (provincial and district) increased from Rp. 2.4 trillion (US\$ 240 million) in 1999 to almost 16 trillion (US\$ 1.6 billion) in 2008 (Figure 8.3). Much of this increase stems from the devolution of responsibilities and budgets as set out in Indonesia's 1999 and 2004 decentralisation laws which particularly benefit resource-rich provinces. In addition, there were new 'special autonomy' arrangements for Aceh beginning in 2002, also major increases in General Allocation Fund (*Dana Alokasi Umum*, or DAU) disbursements since 2006. Since decentralisation, the DAU has become Aceh's main source of revenue, as is the case with other provinces.

The LoGA has led to another jump in resources for Aceh. It mandates that Aceh receive the equivalent of an additional two percent share of national DAU funds (now called the special autonomy fund, or *dana otsus*<sup>226</sup>) for 15 years, then one percent for five more years (until 2027). The first allocation of *dana otsus* in 2008 provided an additional Rp. 3.6 trillion (US\$ 360 million)



**Figure 8.3: Provincial and Local Government Revenues 1999-2008**



Source: World Bank (2008a)

to Aceh's revenues. The total from these extra funds to 2027 is expected to be valued at Rp. 78.6 trillion (US\$ 7.9 billion) (Chapter Five). Disbursed quarterly, *dana otsus* funds are intended to finance the development and maintenance of infrastructure, as well as economic empowerment, education, social, and health programs.

Under Indonesia's decentralisation and revenue-sharing framework, 90 percent of DAU funding is distributed to districts and municipalities with only ten percent going to the provincial government. However, the LoGA significantly alters this distribution for Aceh, giving the provincial government almost 40 percent of fiscal resources from the special autonomy fund. Many programs to be supported by *dana otsus* will take the form of joint programs between the provincial and local governments. Some complex allocation and implementation issues have yet to be worked out.

In addition to regular DAU and *dana otsus* funds, Aceh receives the third largest resource-sharing allocation in Indonesia, after East Kalimantan and Riau. The LoGA guarantees Aceh a 70 percent share of hydrocarbon revenues (far greater than for other hydrocarbon-producing regions, where 15 and 30 percent for oil and gas, respectively, are the norm). Oil and gas production in Aceh has declined steadily since 2001, a trend that is expected to continue as reserves are depleted.

Special Allocation Fund (*Dana Alokasi Khusus*; DAK) allocations in Aceh have also increased significantly. DAK allocations to district governments have increased fivefold since 2003. In 2007, DAK funds were earmarked for three main sectors: education (28 percent), health (20 percent) and infrastructure (30 percent). The Aceh provincial government also received DAK funds in 2008, to support road and irrigation projects.

Provincial and district own-source revenue (*Pendapatan Asli Daerah*, PAD) has increased as well. Driven by an increase in provincial taxes (vehicle and fuel taxes), provincial PAD has increased more than fourfold since 2005, contributing about six percent of the provincial government's budget in 2008. District and municipal governments' PAD more than doubled during the same period, largely from taxes and retributions. Much of this increased tax revenue comes from increased economic activity generated by the influx of tsunami aid money into the local economy. Additional PAD revenue is derived from interest on deposits and giro services generated from unspent budget balances.



## Mainstreaming Post-Conflict Support

These extra resources provide massive opportunities to ensure that peace endures. However, this will require the development of institutions, policies, programs and procedures that ensure that future economic development and service delivery in the province address the underlying causes of conflict in Aceh, are inclusive and equitable, and that increase public trust in and support for government. To date, however, provincial and district governments' use of these new resources to support peace-building in Aceh has largely been confined to providing preferential treatment to ex-TNA contractors.

As the need for targeted reintegration assistance diminishes, it becomes all the more important that post-conflict peace-building strategies and conflict sensitivity are mainstreamed into Aceh's broader reconstruction and development agenda.

Many post-conflict needs can be most effectively met by improving service delivery, rebuilding (and creating new) infrastructure, and boosting growth. Provincial and district development planning and technical line agencies (BAPPEDA and *Dinas*) are primarily responsible for this. However, until now, many have paid little attention to post-conflict dynamics. This is partly due to lack of technical capacity and partly to the 'isolation mentality' mentioned above, wherein 'reintegration' and 'post-conflict' assistance have become synonymous, and reintegration is the responsibility of BRA and international donors, while various line agencies carry out 'business as usual'.



Provincial and district parliaments are responsible for approving budgets, and as such, will need to be cognisant of the impact of government development programs on perpetuating or alleviating the causes of conflict in the region. Most members of parliament throughout Aceh are relatively inexperienced, and as discussed in Chapter Seven, are likely to be beholden to their backer and party leadership, setting the stage for populist or clientelistic strategies that can divert attention and resources from broader peace-building goals and strategies. As such, the establishment of responsive, transparent and downwardly-accountable political institutions and processes represents a key component in crafting a long-term strategy for peace-building in Aceh.

An overarching strategy that mainstreams conflict-sensitivity into the operations of all provincial and local government agencies and that includes guidelines to assure that government services and development programs address the needs of all groups affected by the conflict is urgently needed.

At the national level, there is already a transitional Presidential Regulation amending the 2005 Master Plan for the Rehabilitation and Reconstruction of Aceh and Nias,<sup>227</sup> which sets out the legal basis for the finalisation of the tsunami recovery effort and transfers authority from BRR to various national ministries and agencies and provincial and local governments, to be followed by a new Presidential Instruction on Accelerating Development in Aceh.

According to BAPPENAS, the new Presidential Instruction will explicitly conjoin the concerns of remaining post-tsunami recovery work with post-MoU reintegration and 'normalisation' in Aceh.<sup>228</sup> Continuity and congruity is to be overseen by an Aceh Reconstruction Continuity Board (BKRA), chaired by the Governor. At the provincial level, development of a master plan for the utilisation of post-MoU fiscal resources has been tasked to the Special Coordinating Team, led by the Provincial Secretary.

### 8.4 Governance

The additional new resources available for development in Aceh create a unique opportunity to address key post-conflict needs. However, poor planning or mismanagement of government resources, corruption, patronage and inequitable distribution of the benefits of the post-MoU



windfall could lead to increased tension and divisions within society—and perhaps more significantly, between certain sectors of Acehese society and the state.

### Capacity to Govern

The Acehese public has high expectations that the LoGA and local elections should quickly result in improved government services and performance. Performance thus far is not meeting these expectations. Provincial and district/municipal governments across Aceh have devoted a very small portion of their respective budgets to post-conflict and peace-building programs (Chapter Four). Nor have principles of conflict-sensitivity been mainstreamed into budget planning or program design and implementation.

Most local governments throughout Indonesia have experienced difficulties adjusting to their increased responsibilities and workloads since decentralisation came into effect in 2001. In Aceh, this was compounded by 30 years of conflict. Furthermore, both provincial and district legislatures and governments need to prepare dozens of new qanun in order to govern under the LoGA framework.

Provincial and local governments' capacity to utilise the vastly increased resources discussed above is constrained by many factors. A major problem has been the late submission of budgets to the Ministry of Finance. While district/municipal governments have accelerated their budget process from an average completion date of mid-May in 2005 to late March in 2008, the provincial government's performance has grown worse. In 2008, the provincial government finally passed its annual budget at the end of June, more than eight months after the ministry deadline.<sup>229</sup>

Numerous structural constraints affect budget processes in Aceh. These include: a lack of discipline by district/municipal leaders and parliaments; lack of human resources (quality and quantity) in planning and budgeting within BAPPEDA and technical agencies; lengthy consultation processes between the executive and legislative branches; strong power of parliaments over ex-ante deliberation and approval; and an unclear division of tasks and responsibilities between BAPPEDA and the Finance Bureau of the Governor's Office over budget planning and execution.<sup>230</sup>

Prior to the budgets being approved by the Ministry of Finance, provincial and local governments can only spend on routine items such as salary payments and administration, and are not allowed to implement projects and programs. A significant portion of provincial and local government spending in Aceh in 2007-08 utilised unspent balances (carryovers) from previous years.<sup>231</sup> Once budgets are approved and funds finally arrive, time is limited. As projects such as construction of schools, health facilities and roads require thorough procurement processes, time constraints are often detrimental to the quality of projects being undertaken.

Given the increases in financial resources from the special autonomy funds, further enhancement of the government's bureaucratic processes, especially its ability to budget and expend allocated funds is important. Although there are procedures from Jakarta to be followed, there is undoubtedly room for improvement within the district governments.

Poor service delivery capacity also impacts government effectiveness. For example, by 2006 Aceh had the highest per capita education expenditures in Indonesia (Rp. 457,000 vs. the national average of Rp. 196,000). However, this has not translated into concomitantly better education outcomes in the province.<sup>232</sup> The situation is no better in the health sector. Average per capita spending on health increased from Rp. 84,766 in 2004 to Rp. 275,184 in 2007, but these higher allocations so far have failed to produce better health outcomes.<sup>233</sup>

In comparison with other provinces in Indonesia in terms of overall democratic governance performance, Aceh was recently ranked 19 out of 33 provinces across the nation. Aceh was





assessed to be relatively good in terms of public participation in government, but was seen to be lacking in government policy making and bureaucratic transparency in program implementation. Interestingly, neighbouring North Sumatra province was ranked last.<sup>234</sup>

As previously mentioned, the 2009 elections saw the election of many inexperienced politicians to district and provincial parliaments. While the strong showing by *Partai Aceh* might result in less fractious legislatures than before, the combination of patronage and populist politics that swept them into office, combined with their relative inexperience in government, could compound some of the inefficiency that has plagued lawmaking.

### Patronage and Corruption

Capacity problems are not the only factor restraining effective use of funds for development and peace-building purposes. Aceh during the conflict had a reputation as one of the most—if not the most—corrupt provinces in Indonesia. Much of this, of course, is related to the conflict—extortion was a ubiquitous feature of the lives of most Acehnese, carried out by elements on both sides of the insurgency.

As discussed earlier, since the MoU, there has emerged a vigorous civil society-based anti-corruption movement in Aceh. In the wake of the tsunami, numerous bodies including BRR, donors and the provincial government established anti-corruption bodies or agencies (including an Aceh branch of the national anti-corruption commission, KPK). Other donor-led programs have attempted to assist provincial and local governments to develop more transparent systems for tendering, procurement, and acquittal of budgets.

Although shaken by occasional scandal, the Aceh tsunami recovery effort was considered to be relatively ‘clean’. With the demobilisation of both the Indonesian non-organic security forces and the TNA, many of the more egregious forms of corruption have subsided dramatically in the province. The fact that in 2008 Banda

Aceh was given the third cleanest ranking in a list of 50 cities across the nation indicates this improvement.<sup>235</sup>

But many of the more insidious forms of resource capture and abuse of power still permeate government and private business dealings in the province. This has become increasingly evident in the awarding of government contracts, which in turn is drawing increased criticism from the Aceh public, press and opposition politicians (see Box 6.2).

Several early attempts to distribute post-conflict reintegration assistance were widely criticised as disproportionately benefiting KPA or PETA elites. However, serious attempts to investigate allegations of such corruption or misdirection of funds have been conspicuously lacking. This situation has improved considerably as BRA has improved its capacity to verify claims and monitor implementation. However, the continued focus on providing direct reintegration benefits or compensation continues to create opportunities for patronage and pay-offs, while also creating expectations and feelings of entitlement that such programs can never completely appease.

The immediate post-MoU period in Aceh was characterised by very high expectations from many quarters that the issues behind the conflict would be swiftly resolved, and that conditions would improve dramatically. Whilst the immediate benefits—the dramatic improvement in security and increase in freedom of movement and expression; peoples’ ability to resume productive livelihoods; the rapid resumption of local small-scale trade—were manifold and universally appreciated, as time passes, this has given way to feelings of resignation that more fundamental changes might not be forthcoming.

With the demobilisation of both the Indonesian non-organic security forces and the TNA, many of the more egregious forms of corruption have subsided dramatically in the province.

Significant and tangible steps to eradicate corruption, and collusive and predatory practices, such as prosecuting offenders and increasing the transparency and accountability of local governments, are vital components of a peace-building strategy for Aceh.

### Traditional Leaders and Institutions

Acehnese place tremendous faith in customary leaders and institutions. In both the post-tsunami context and in communities affected by conflict, traditional institutions have been found to be fairly resilient mechanisms for community governance and have played an important role in facilitating community stabilisation and recovery.

Studies conducted in villages recovering from the tsunami found that traditional decision-making formats and mechanisms, and various community leaders such as the *Keuchik* (Village Head), *Teungku Imeum* (Imam of the village mosque), *Imeum Mukim* (leader of a community encompassing a number of villages) and, in some but not all cases the *Tuhapeut* (Village Council) played significant roles in allocating aid in their community and resolving disputes.<sup>236</sup> The provincial government has issued a number of *Qanun* clarifying and strengthening the roles of these various functionaries and bodies in the post-LoGA era, and most villages in Aceh have held direct elections for *Keuchik* during 2006-08.

Despite its termination, the success of the BRA-KDP program in effectively delivering economic aid to conflict victims and vulnerable groups within communities underscores the vital role that local community-level structures and institutions have to play in Aceh's ongoing recovery and future development.

The initiation in 2009 of the new BKPG village block grants affords an excellent opportunity to allow communities and village government leaders to determine how to best expend a portion of Aceh's post-MoU revenue windfall. Such a sudden infusion of major financial resources could potentially exceed local governments'

In both the post-tsunami context and in communities affected by conflict, traditional institutions have been found to be fairly resilient mechanisms for community governance and have played an important role in facilitating community stabilisation and recovery.



*The Governor of Aceh, Irwandi Yusuf with the community as he often is.*

capabilities and create new opportunities for patronage and other forms of abuse. But with well-targeted technical assistance and guidance, this program affords an excellent opportunity to mainstream post-conflict peace-building concerns into local development initiatives, by allowing high levels of community participation in decision-making.

### 8.5 Institutions for Sustainable Peace and Development

The foregoing discussion underscores three fundamental issues relating to the post-conflict institutional landscape in Aceh. First, the lack of an overarching government vision and strategy for post-conflict recovery and development: reintegration programs (and the reintegration agency) operate in isolation from regular government affairs and development programs.

Second, provincial and district government agencies lack the capacity to effectively utilise Aceh's significantly increased revenues toward establishing the foundations for lasting peace in the province.

Third, and perhaps most fundamentally, although improvements have been achieved post-MoU, the province still lacks effective, transparent and inclusive democratic institutions and practices that can assure that peoples' needs and aspirations are addressed, and that government can be held accountable for its performance.

The initiation in 2009 of the new BKPG village block grants affords an excellent opportunity to allow communities and village government leaders to determine how to best expend a portion of Aceh's post-MoU revenue windfall.

As historian Anthony Reid points out (Box 1.2), previous solutions to 'the Aceh problem' have generally lasted only as long as the Acehnese people perceived their leaders as legitimate. Repeatedly, that legitimacy has been undermined through compromise, self-interest, and inefficiency. Despite the immense gains achieved since the signing of the Helsinki MoU in August 2005, the foundations for a lasting peace in Aceh remain relatively weak and untested.

While Chapters Six and Seven showed that many aspects of the economic and political reintegration process have met or exceeded expectations, many challenges remain. The Aceh conflict was always characterised more by a sharp cleavage between society and the state, rather than by divisions within society, so continued peace will depend on building public trust in government. Mismanagement of Aceh's newfound wealth, or increased frustration and anger over inequitable distribution of the 'peace dividend', has the potential to spark renewed violent conflict in the province. Moreover, some perceptions of the state held by the public are incorrect and improved public relations management may also contribute to the building of trust in higher levels of government.



*Leaders at a forum to develop the highland's coffee industry.*

It is widely acknowledged that Aceh needs to move from a period of immediate post-conflict reintegration and recovery into longer-term conflict sensitive development. However, there is a lack of a clear vision or strategy as to how this transition is to be achieved.

The temporary status of BRA, and that agency's enforced focus on delivery of narrowly-defined reintegration assistance, continue to hamper this transition. BRA's mandate actually extends beyond verifying eligibility of aid recipients and supervising delivery of direct assistance to ex-combatants and victims. However, the broader political reintegration aspects of its mandate, and supporting and coordinating a strategy to lead the peace process forward, cannot be achieved by BRA alone.

Functional linkages between BRA and other government agencies—other than BAPPENAS and the Ministry of Finance at the national level, and *Dinsos* at the provincial level—are largely non-existent. This has had the effect of isolating reintegration assistance from other government and donor-supported development programs, which can actually contribute to the perpetuation, even hardening, of conflict-era identities.

Generally low levels of capacity among provincial and local government agencies, compounded by serious delays in preparation and submission of budgets due to political jockeying and the tendency of national, provincial and district lawmakers to focus on individual budget line items rather than broad policy guidelines, hamper local and provincial governments' ability to support development and provide improved services in their respective regions. This, in turn, can undermine public trust in government, which is a foundational building block of lasting peace in Aceh.

The levels of trust that people in Aceh—including conflict victims and returning IDPs—place in traditional leaders provide valuable insights as to where the emphasis of future recovery assistance should be directed. If these institutions and individuals can be supported and strengthened to take over or at least counter the influence of residual TNA command structures and loyalties, it will considerably deepen and broaden the overall peace process.

The levels of trust that people in Aceh—including conflict victims and returning IDPs—place in traditional leaders provide valuable insights as to where the emphasis of future recovery assistance should be directed.

Strengthening of community-level decision-making and program management institutions and capacities, combined with greater efforts to engage ex-combatants in village institutions and processes, can accelerate the transition from short-term post-conflict assistance to longer-term development, while also facilitating the shifting of identities from ex-combatant to civilian member of society.



*The Acehese coffee shop is an important “institution” for discussing politics and everyday issues at the local level.*







# 9

## Towards a Framework for Supporting Peace Development in Aceh

The MSR report has provided an overview of current programs supporting reintegration and peace in Aceh, progress to date, and remaining gaps and constraints to consolidating peace. The foregoing chapters have underscored that while much has been achieved there have been three primary shortcomings of the post-conflict effort in Aceh to date.



First, there has been a lack of clarity over the overall aims of reintegration programs in Aceh, leading to a narrow focus on economic integration, and on outputs rather than outcomes.

Second, there has been too much emphasis on an individual and compensation-based approach to reintegration; an approach usually employed for the initial reinsertion period only. This is despite evidence that broader-based economic growth provides greater benefits to both ex-combatant and conflict victims, and has a more positive impact in building social cohesion. This has contributed to the prolongation of conflict-era identities and has helped create an 'entitlement mentality' and expectations that cannot be addressed through this approach.

And third, reintegration assistance has yet to be mainstreamed into broader government and donor programs, and into strategies to support sustainable regional development and economic growth. Due to this, the provincial and local governments' vastly expanded resources have also not been effectively utilised to support peace-building through development programs and policies.

This final chapter provides a summary of MSR findings and a framework for addressing remaining needs and challenges. This can be used as a basis for the development of future strategies to help consolidate peace and promote prosperity in post-conflict Aceh. Conclusions and recommendations are presented within the MSR framework (as outlined in Chapter Two).

### 9.1 Conclusions

Four years after the Helsinki memorandum, Aceh is transformed. The tsunami provided a unique opportunity to pursue peace and resulted in billions of dollars of aid. Nevertheless, the province's achievements still provide a model for how countries and regions can emerge from conflict. Cementing peace, however, is an ongoing, long-term process. International experience shows that post-conflict societies face immense challenges and the ongoing risk of relapse into violence. The MSR analysis of remaining needs and challenges related to welfare and the economy, social cohesion and security, and governance and institutions in Aceh are summarised in Table 9.1.

**Table 9.1: Key Challenges in Post-Conflict Aceh**

		Unit of Analysis		
		Individual	Community	Macro
Areas of Challenge	Economic	<ul style="list-style-type: none"> <li>Individually-targeted reintegration assistance has not led to significant improvements in most recipients' welfare and has had some negative impacts.</li> <li>Most ex-combatants are working but unmet expectations remain.</li> <li>Some ex-combatants, female-headed households, IDPs and ex-political prisoners are benefiting less from Aceh's recovery than others.</li> <li>Initial reinsertion assistance provided benefits, but future assistance should not be based on conflict-era identities.</li> <li>People unable to work due to conflict trauma or disability are not receiving adequate social security support.</li> </ul>	<ul style="list-style-type: none"> <li>Conflict damage to village and sub-district infrastructure hinders agricultural and economic recovery and access to services.</li> <li>Many conflict-affected communities and households still lack private goods and productive assets.</li> <li>Community-driven approaches have not been utilised enough despite their relative success.</li> </ul>	<ul style="list-style-type: none"> <li>As the tsunami boom draws to an end, expansion in non-reconstruction related sectors is needed.</li> <li>While modest growth has been seen in agriculture, manufacturing and service sectors are still not expanding.</li> <li>Large scale transport, agriculture, and other productive infrastructure is lacking or in poor condition.</li> <li>Corruption and perceptions of an increase in crime and conflict discourage investment and inflate costs.</li> <li>Finance and other business development services are lacking.</li> </ul>
	Socio-Political and Security	<ul style="list-style-type: none"> <li>There has been a significant improvement in security since the MoU but new localised violence increased until the end of 2008, with a fall in the first half of 2009.</li> <li>Violent disputes about aid distribution are common and domestic disputes frequently end in violence.</li> <li>Groups that pose potential threats to peace include disgruntled former combatants, PETA members and unemployed or under-employed youth.</li> </ul>	<ul style="list-style-type: none"> <li>Deeper reintegration of former combatants and displaced persons has still to happen.</li> <li>Many post-conflict programs have failed to take advantage of strong existing social capital.</li> <li>Communities' trust in local leaders and institutions is an underutilised socio-political resource.</li> </ul>	<ul style="list-style-type: none"> <li>Aid has often created or exacerbated conflict.</li> <li>While too early to consider establishing new provinces, grievances held by provincial divisionist movements in the central highlands and south-western districts could undermine peace if they are not addressed.</li> <li>The continued presence of conflict-era organizations pose a challenge to political stability and security and their rising membership perpetuates both conflict-era identities, pressure for individual assistance, and an entitlement mentality.</li> <li>Incomplete implementation of the Helsinki accords is an ongoing source of tension and suspicion.</li> </ul>
		Community	Macro	
	Governance and Institutions	<ul style="list-style-type: none"> <li>Village communities' capacity for collective action is relatively weak.</li> <li>Local decision-making is constrained by the absence of legislation on village governance.</li> <li>Women's participation in local governance and political knowledge are limited.</li> <li>Effective links between villages and higher levels of government are lacking.</li> </ul>	<ul style="list-style-type: none"> <li>A broad government-wide strategy for consolidating peace is lacking. The initial Presidential Instruction No. 15, 2005 has not been systematically implemented.</li> <li>Despite a broad mandate and delivery of assistance to hundreds of thousands of conflict affected people, BRA's authority and role are limited to mainly facilitating compensation-type assistance. Moreover, it lacks capacity and a focused strategy to move from reintegration assistance to broader conflict-sensitive development in cooperation with government ministries. There is also lack of institutional consensus with the central government on its role.</li> <li>These issues have limited coordination between government and donors, and negatively affected resource mobilization.</li> <li>Peace-building and conflict-sensitivity are not mainstreamed within government development planning and program management.</li> <li>Lack of coordination of peace-building and tsunami reconstruction programming has resulted in an imbalance between tsunami and conflict affected areas.</li> <li>Over the long-term Aceh has enough financial resources to 'build back better' from conflict with committed resources exceeding the provincial cost of conflict. However, the capacity of provincial and district government agencies to effectively utilise Aceh's vastly expanded fiscal resources is weak. Effective consultative mechanisms—between Jakarta and Aceh and between government and communities—are lacking.</li> <li>TNI are still cautious toward the activities and motives of KPA and GAM members and are taking an assertive interpretation of the clauses in the LoGA regarding security. This risks alienating the Aceh public.</li> <li>While crime rates have fallen and more crimes are being solved, there is still room for improvement of the police's investigative capacity and overall professionalism.</li> </ul>	

## Livelihoods, Poverty and the Economy

### *Supporting individuals*

**To date, the bulk of reintegration assistance has targeted former combatants, amnestied political prisoners and conflict victims.** BRA and other agencies have developed programs to provide assistance to these individuals, in accordance with the Helsinki MoU.

**While such programs may have initially played an important role in stabilising peace after the MoU, there is little evidence that they have significantly improved the welfare of beneficiaries.** Ex-TNA households that have received assistance are doing no better than those that have not received support despite the fact that many of those who were assisted tended to be among the more better off before these programs began. The absence of clear observable impacts is in part a result of the lack of training and support services provided to recipients and a lack of monitoring of programs.

**The widespread use of individually-targeted programs has had some negative impacts.** Individually-targeted approaches carry inherent risks of creating new jealousies and rifts within post-conflict communities. There is resentment amongst some who feel they are eligible for, but who have not received, assistance. Community members consider this to be one of the greatest sources of tension in Aceh. In a significant number of cases tensions have led to violence. There is also evidence that (both post-tsunami and post-conflict) aid programs have created entitlement mentalities that may undermine broader poverty reduction efforts.

Female-headed households suffer from much lower than average welfare and income levels throughout the province. Some former prisoners.

**The vast majority of former combatants are now working yet unmet expectations remain.** This is a remarkable turn-around from 2006, when 75 percent of ex-combatants were unemployed.<sup>237</sup> Most former combatants have returned to the occupations they held before joining the insurgency—mainly farming and agricultural day labour. In 2006, most former combatants hoped to become traders. Their inability to achieve this aspiration may become a source of disappointment and resentment, especially as most population groups in Aceh are enjoying improved economic fortunes. In addition, although former combatants show slightly higher rates of full-time employment than the population at large, their average income is still below that of the non-combatant population. It is also important to note that meeting all expectations is an impossible task.

**There are pockets of the population who are doing much worse than others.** Within the ex-combatant population, men aged between 36 and 45—who should be at their peak earning power—lag behind their non-combatant peers in average income and household assets. Younger former combatants generally earn more than their civilian counterparts, but much of this difference can be explained by the fact that very few have returned to school. Their relative lack of education will limit their earning power as they grow older. There are also pockets of unemployed or under-employed former combatants, mostly in the northern coastal districts that experienced the most intense conflict.



*Villagers look on at a community volleyball match between former combatants, PETA and the military in Permata, Bener Meriah.*

**Female-headed households, former prisoners and displaced persons are falling behind.**

Female-headed households suffer from much lower than average welfare and income levels throughout the province. Some former prisoners—often among the more prosperous members of their communities before being imprisoned—fell behind while incarcerated, and have yet to regain their former position. Displaced peoples are also generally poorer than their host communities and often lack access to assets to redress this.

**Conflict-era identity categories do not provide the best guide for targeting those most in need of assistance.**

Within the various MoU beneficiary categories (former combatants, amnestied prisoners and conflict victims) there is immense diversity in welfare. Some former combatants—particularly ex-officers—are faring much better than others (and indeed than the population at large). Some conflict victims prosper while others struggle. Programs where eligibility is determined by being a former combatant, prisoner or conflict victim risk channelling funds to those who do not need them, and missing others who do need help. Such approaches also carry the risk of reinforcing conflict-era identities and as such holding back deeper social reintegration.

**Long-term government social security support for vulnerable groups is lacking.** The MoU states that ‘in the case of incapacity to work, adequate social security from the authorities of Aceh’ will be provided.<sup>238</sup> Existing programs from the Ministry of Social Affairs, such as *diyat*, and means-tested national government programs are inadequate in reach and scope to cover the needs of these groups and often do not lead to sustainable welfare gains.

**Supporting communities**

**Conflict-affected communities still face serious constraints to economic recovery and growth and increased welfare.**

Massive amounts of village and sub-district economic infrastructure were damaged by the conflict and related neglect, and only a small proportion of this has been repaired or replaced. Poor roads hamper agricultural and other economic recovery by increasing transaction costs, and hinder effective service delivery. Damaged irrigation and drainage systems prevent the resumption of productive farming. Vast tracts of rice fields and plantations are still to be rehabilitated despite the economic and employment opportunities this would bring. Damaged public facilities render social services either inaccessible or prohibitively expensive for rural communities. Rural electrification in Aceh lags behind most other provinces in Indonesia, due both to a lack of investment during the conflict era and damage to what little infrastructure existed. The absence of infrastructure and facilities severely undermines the ability of rural villages to recover and prosper in the post-conflict era.

**There are also immense needs for private goods to help conflict-affected households recover.**

Poverty levels are still very high in Aceh, particularly in rural, agriculture-dependent areas. Programs supported by the government and led by the community are needed to clear land, buy tools and equipment, and for other agricultural expenses. Engaging communities through trusted community-driven mechanisms is essential for accurate targeting, equitable distribution, and successful delivery of cash and material support to vulnerable households.

**Of the range of reintegration programs that have been implemented in Aceh, those substantively involving communities have had the greatest economic impacts.**

BRA’s Community-Based Assistance to Conflict Victims (BRA-KDP) was successful in reaching and improving the welfare of a wide number of victims. Project areas saw significant reductions in poverty compared to areas that did not receive this form of assistance, and many conflict victims were able to greatly increase the amount of land under cultivation.<sup>239</sup> Vulnerable groups such as female-headed households actively participated in, and benefited from, the BRA-KDP program. BRA-KDP and the national PNPM program are both extremely popular among Aceh’s communities.





### *Developing Aceh's economy*

**Aceh's economy has grown in recent years, but largely as a result of the tsunami reconstruction boom and the 'peace dividend' associated with the end of the conflict. Such growth is unsustainable.** Prior to the tsunami and Helsinki accords, growth in Aceh's economy derived primarily from oil and gas and associated manufacturing, but few benefits accrued to most of Aceh's population. After the tsunami, construction and associated services became the primary engines of growth. As oil and gas production declines and tsunami funds dry up, new approaches are needed to stimulate broad-based economic growth. Growth in Aceh must spread across multiple sectors of the economy. Presently, agriculture is the only sector experiencing growth in Aceh—much of this a result of damaged or abandoned

fields being brought back into production. Future growth will

require increased productivity, and therefore will be harder to achieve. Increases in agricultural productivity must also be supported by development of production linkages between farmers and processors, improved off-farm employment opportunities, higher trade flows and trading efficiency, and more added value for primary products produced in Aceh. Expansion of the manufacturing and service sectors is also required to reduce unemployment.

Presently, agriculture is the only sector experiencing growth in Aceh—much of this a result of damaged or abandoned fields being brought back into production.



*Young girls supporting the peace process.*

**Economic growth will require investment in large-scale infrastructure.** As stated above, large amounts of economic infrastructure were damaged in the conflict and have not yet been replaced or repaired. The lack of such infrastructure increases business costs, deflates the prices people receive for goods produced, and discourages investment.

**Concerns about security, political uncertainty and corruption deter investment in Aceh.** The combination of insecurity, uncertainty and the high transaction costs associated with starting up a business or bidding on contracts keeps potential investors away, seeking the relative safety and assurance of other parts of the country or region. Aceh's abundant natural resources and strategic location are not sufficient to attract investors so long as concerns over weak rule of law in the province and high business costs continue. That said, the high concentration of studies examining post-tsunami and –conflict Aceh may be unfairly highlighting issues which are prevalent throughout the nation.

**Access to finance and business development services in Aceh are poor.** Currently, there is a credit gap for medium-sized businesses wanting to expand and a lack of services available in inland conflict-affected regions. There is a lack of flexible finance products in the province and overly bureaucratic procedures are hindering the expansion of lending products and service areas. Methods for assessing credit worthiness are limited, reducing the potential pool of suitable micro-credit clients. Quality business development and support services are lacking or are too expensive for most businesses.

## Politics, Security and Social Cohesion

### Individuals

**There has been a significant improvement in personal safety and security since the end of the conflict.** The number of incidents of large-scale violence in Aceh has decreased dramatically; where violence has occurred, its impact has been smaller. This has resulted in substantial improvements to people's welfare, as people and goods are able to move about freely and securely. Community leaders, local elites, politicians and former belligerents from all sides of the conflict remain committed to peace. However, disputes over development aid and government contracts, access to and control of resources, and administrative and political power have resulted in sporadic localised violence over the last four years. In the first half of 2009, there was a significant fall in the number of incidents of violence from previous years. Crime rates are also well below those of neighbouring North Sumatra province. A perceived rise in criminality in 2008 that was undermining public trust in the peace process, may have lessened with the successful elections and a reduction in violent incidents. While this is encouraging, tensions over ongoing aid, mistrust between groups and dwindling reconstruction funds means that recent positive trends are not assured in the long term and ongoing attention is required.

**Former combatants have been successfully integrated into Aceh's political system.** Voter turnout was very high in local and national elections in 2006-07 and 2009, with former combatants participating in greater numbers than the population at large. Many former GAM members have won in the provincial and district executive and parliamentary elections, with Partai Aceh securing 33 of 69 provincial parliament seats. Nearly all former combatants and civilians surveyed said that they planned to vote in the national presidential elections, demonstrating a broad acceptance of Aceh's place within Indonesia.

Potential 'spoilers' of the peace include disgruntled former combatants who feel they have not benefited fairly from the end of the conflict.

**There are still groups of individuals that pose a risk to peace.** The vertical conflict between Indonesian security forces and local insurgents subsumed a number of localised conflicts, many of which have yet to be resolved. Because violence was the main means of settling disputes for an entire generation of Acehnese, disagreements can quickly escalate to violence. Potential 'spoilers' of the peace include disgruntled former combatants who feel they have not benefited fairly from the end of the conflict or still seek independence (especially in districts that experienced the highest levels of violence during the conflict, such as Bireuen, Aceh Utara, Pidie and Aceh Timur), factional in-fighting over access to power and resources within groups and organisations, PETA members, concentrations of unemployed or under-employed youth, and some local elites in the province's central highlands and southwest hoping to partition Aceh and form new provinces.

**There are high levels of domestic violence.** Inter-partner violence is commonplace in post-conflict societies; Aceh is proving no exception. While violence within households is often hidden, many survey respondents reported it as a problem.



*A meeting of CoSPA to support ongoing peace in Aceh.*

### Communities

**Former combatants and displaced persons have mostly been welcomed back into communities, but deeper reintegration has not been**

**achieved in some communities.** Few former combatants have faced problems or discrimination from other villagers. Many are also playing an active role in village associational life—although less so in economic or village development groups and programs. Deeper levels of social reintegration in terms of friendships and business relations between civilians and former combatants remain elusive in some areas, with former combatant networks remaining strong in village life. In contrast to the general hospitality shown to former combatants, remaining groups of IDPs are rather less welcome in their host communities.

**Aceh has strong social capital that provides an important resource for conflict prevention and management.** Trust between groups is high in most regions. Villagers also have high levels of trust in their local formal and informal leaders. Communities (and their leaders) can manage most local tensions and conflicts. That said, in the central highlands, inter-village and inter-ethnic tensions are relatively high. Relations between new migrants, IDPs, returnees and villagers are a greater source of division in the highlands than in other areas. Deeper reintegration of former combatants has also yet to occur with limited close friendships with civilians.

**Much reintegration and post-conflict support has failed to take advantage of, or build upon, these high levels of social capital.** Some donors and government programs have utilised community-level fora to design and manage social and economic recovery. In addition to effectively delivering aid to vulnerable households, these programs have helped rebuild trust and social cohesion. But many approaches fail to work closely with local leaders, reducing efficiency and even undermining existing capacity.

Deeper levels of social reintegration in terms of friendships and business relations between civilians and former combatants remain elusive in some areas, with former combatant networks remaining strong in village life.

#### *Lingering security issues in Aceh*

**Experience with post-tsunami aid has shown that the distribution and delivery of assistance can create or exacerbate conflict.** Aid that is not conflict-sensitive in its design and implementation can (and has) led to sometimes violent conflict. More recently, tensions and disputes over the distribution of post-conflict assistance and government contracts have begun to eclipse post-tsunami aid as

a source of conflict.

**The movement to split Aceh into three provinces has resulted in tensions.** Movements in the central highlands and some west coast districts to create two new provinces separate from Aceh violate the terms of the Helsinki MoU in regard to Aceh's boundaries. Furthermore, politically it is still too early for the provincial and national governments to consider such a division. Doing so would unsettle emerging power-sharing arrangements between Aceh and Jakarta and fuel suspicions regarding the central government's commitment to implementing the peace deal. Such a split would also add confusion to the province's new revenue-sharing arrangements, and would be unlikely to result in improved welfare or reduced political tensions in the break-away regions. Although support for the establishment of the new provinces is mixed, some grievances toward Banda Aceh and support for the movements do exist.

**The continued presence of conflict-era organizations such as KPA, PETA and FORKAB, pose a challenge to political stability and security.** Their presence has the potential to polarize populations based on the former conflict thereby increasing the chances of re-emergence of conflict. Rising membership in these organizations also perpetuates both conflict-era identities, entitlement mentality towards assistance, and pressure on the government for ongoing individual assistance.

**Some tensions remain over LoGA's content and implementation, both between Aceh and Jakarta and within Aceh.** Ongoing wrangling over the wording of clauses relating to the division of rights and responsibilities between the central, provincial and local governments has delayed implementation of aspects of the LoGA. These disagreements have also fuelled suspicion of

Jakarta's commitment to the spirit and conditions of the Helsinki MoU. Lack of progress and public debate on other pledges—particularly the establishment of a Truth and Reconciliation Commission and Human Rights Court—also limit confidence in the commitment of government to implementing the peace agreement.

## **Governance and Institutions**

### ***Community governance***

**While social cohesion is strong within villages, capacity for collective action is relatively weak.** This is a result of the deleterious effects of 30 years of conflict. Modern management skills and structures and accountability and oversight mechanisms did not develop in Aceh's villages, and communities were often unable to hold meetings or engage in collective action. Experience with some tsunami recovery programs, and with the BRA-KDP program, has demonstrated that Aceh's strong social capital can be mobilised to manage development programs effectively and equitably.

**Local decision-making is constrained by the absence of implementing legislation on village governance.** Many provincial and district regulations are still needed to allow village government and other local institutions to fully participate in managing community recovery and development.

**Women's participation in local governance is still limited in most communities.** Experience in some communities that are recovering from the tsunami has demonstrated that increasing women's engagement in the planning and management of development assistance can result in better outcomes. However, in most villages, women are not included in formal decision-making structures. Women's participation is particularly important in conflict-affected communities with large numbers of female-headed households.

Women's participation is particularly important in conflict-affected communities with large numbers of female-headed households.

**Acehnese communities' trust in village government generally does not extend to higher levels of government and there are few effective links between village and district governments.** Throughout much of the conflict, local government effectively ceased to function in many parts of the province; villages were left to their own devices to attempt to resolve problems and see to residents' needs. Effective development planning protocols and structures are underdeveloped and ineffective in Aceh, and a working framework for downward accountability is largely lacking. Management of public relations by the government has been generally poor leading to misperceptions.

### ***Building institutions for peace-building and development in Aceh***

**There is no broad government-wide strategy being implemented for consolidating the peace process in Aceh.** The initial government strategy of Presidential Instruction No. 15, 2005 while bold and innovative has not been fully nor systematically implemented, especially in regards to assistance. This has hampered the mainstreaming of conflict recovery planning and sensitivity across the government agencies and institutions. Despite coordination efforts and directives to action towards these agencies by the Coordinating Ministry for Politics, Legal and Security Affairs as the lead coordinating agency designated by the Instruction, these have not been completely translated into concrete actions. Lack of proper delegation and follow up has put pressure on BRA as the local agency tasked with overseeing the peace process.

**BRA has delivered reintegration assistance to mainly individuals but has lacked the institutional support for its broader mandate and a sustainable approach to programming.** BRA has been reasonably successful in the immensely challenging task of facilitating direct support to hundreds of thousands of conflict-affected individuals and households. However,



BRA's authority and role are limited to mainly facilitating compensation-type assistance due to the central government's interpretation of the MoU that conflict actors and victims should be assisted individually. Moreover, it has to rely on other national and provincial government bodies and donors for operational funds that are unstable and often late. Alongside a lack of technical capacity, this has sometimes resulted in poorly conceived and unsustainable projects, and serious delays in implementation. There is also lack of institutional consensus with the central government on its role.

**BRA has also been unable to develop an effective strategy outlining the transition from short-term individually targeted assistance to more sustainable approaches involving other government agencies and ministries, and focusing on broader post-conflict social and economic development.** A new 'Comprehensive Action Plan' is a positive development but is not well understood within the organization itself and does not spell out the transition to and role of government ministries and agencies in the long term peace process. Its public image is poor and many people have misperceptions about its mandate and performance. A newly revamped structure is welcome as is an upcoming comprehensive Governor's Decree outlining its mandate and future role to bolster the June 2009 Decree. These issues have led to limited coordination between the government and donors that have negatively affected resource mobilization in terms of donor support for BRA and implementing organizations. It is hoped that re-activation of the Aceh Peace Forum or *Forbes Damai* can address this issue although the initial meeting after re-establishment did not bode well for success with poor attendance.

BRA has delivered reintegration assistance to mainly individuals but has lacked the institutional support for its broader mandate and a sustainable approach to programming.

**Among both government and donor agencies, peace-building and tsunami reconstruction programs have operated in isolation, with little interaction and coordination between the two.** This has resulted in less conflict-sensitive tsunami recovery programmes, as well as large gaps in addressing infrastructure and economic development needs in many conflict-affected areas. There is a pressing need to incorporate post-conflict (and post-tsunami) programs, and principles of conflict sensitivity, into Aceh's broader development strategies and projects.

**New allocations of billions of dollars of special autonomy funds create a momentous opportunity to address remaining post-conflict needs and sustain peace in Aceh.** Until 2027, Aceh will receive extra special autonomy resources that can be used to rebuild the province and spur broad-based economic development. If these resources can be used to address many of the needs outlined in this report, and if they are managed in a conflict-sensitive manner, they can help ensure that peace endures.

**However, the weak performance of many local government institutions raises worries that these funds will not be effectively used, and could even have a negative impact.** Local government agencies suffer from low technical and managerial capacity and Aceh's post-conflict political economy does not always support effective and transparent use of government resources. Institution building, including developing effective checks and balances and accountability mechanisms, is urgently needed to capitalise on Aceh's peace dividend. A positive public perception of government management of the funds will be critical for rebuilding government-community relations. Aceh's political recovery depends on the further establishment of robust public institutions and transparent and democratic decision-making processes; history has shown that previous periods of peace in Aceh have lasted only as long as the perceived legitimacy of individual leaders.



Strategic Meeting for BRA in July 2007 with UNDP and BAPPENAS.



**The participatory Musrenbang development planning system is not functioning well in Aceh.** Grassroots consultations are an effective way to encourage a sense of local ownership in community projects, build and sustain democratic institutions, reduce conflicts and achieve development objectives. Presently, community-level decision-making is divorced from decisions on resource allocations at the district and provincial levels. Conflict sensitivity is also lacking in the process that could lead to tensions between groups.

**Mechanisms for dialogue and collective decision-making between Jakarta and Aceh on MoU and LoGA implementation are weak.** None of the current fora for facilitating talks have a strong mandate or are functioning well.

**While security has improved markedly in Aceh, formal mechanisms to limit violent crime and local conflict are weak.** People do not trust the police's ability to investigate crimes and bring perpetrators to justice. The legal system in Aceh also does not function well. A lack of confidence in the police and courts limits the building of state legitimacy, important if peace is to endure. The police's record in solving crime has improved but there is still a need to develop its investigative capacity, overall professionalism and its relationship with communities.

**TNI are still cautious toward the activities and motives of KPA and GAM members.** They are active in internal security roles taking an assertive interpretation of the clauses in the LoGA regarding the TNI's role in 'the maintenance, protection, and defense of the integrity and sovereignty of the Unitary State of the Republic of Indonesia'. This risks alienating sections of the Acehnese public if overdone.

#### **Box 9.1: DDR Orthodoxy: Learning from Aceh<sup>240</sup>**

Aceh's post-conflict programs drew on conventional Disarmament, Demobilisation and Reintegration (DDR) orthodoxy. Over recent decades, investments in programs to disarm, demobilize and reintegrate former fighters have increased in number and scale. Since 1989, more than 60 DDR programmes have been launched<sup>241</sup> and reintegration, along with disarmament and demobilization, are now seen as 'compulsory elements of new peace-keeping and peace enforcement operations.'<sup>242</sup>

As DDR has become more prominent, efforts have been made to develop a standardized tool kit and set of principles to inform operations, most notably the UN Integrated DDR Standards (IDDRS) and the Stockholm Initiative on DDR.<sup>243</sup> Great importance is placed on targeted economic assistance for former combatants. Former fighters are viewed as facing immediate and unique challenges, including lack of skills and barriers to acceptance by the communities to which they are returning. Both the market and routine development expenditures are seen as being unlikely to provide for former combatants in the aftermath of conflict. As such, post-conflict programmers initially aim to identify a cadre of former combatants to receive reinsertion assistance consisting of cash, medical services, short-term employment and/or essential in-kind items for a transition period up to one year. This is followed by the longer term process of reintegration which aims to provide sustainable employment and support acceptance of former combatants back in to society.

In the process, security concerns and stabilization are paramount and this overriding security focus can justify a certain lack of transparency and inequitable targeting of reintegration assistance in the short run. Moreover, little emphasis tends to be placed on building state capacity in the immediate term. DDR in Aceh partly followed these



principles and logic. Assistance has been individually targeted but even 4 years after the MoU, government programs have been reinstitution in nature rather than sustainable reintegration.

Still the Aceh experience does raise important questions for DDR orthodoxy. First, and as identified in Chapters Six and Seven, former GAM combatants did not tend to have much lower skill levels than the Acehnese population at large, and most faced few difficulties returning to their villages. One result was that providing targeted resources for former fighters often proved to be divisive. Jealousy over who received support and who did not within the ex-combatant population has led to disillusionment and tension. The civilian population were also resentful of aid being channelled inequitably.

Second, the Aceh experience questions standard thinking that individually-targeted assistance is always the most effective. In Aceh reintegration planners experienced difficulties in identifying who should receive support and how it should be delivered. Those ex-combatants who have done well in the post-conflict period tend not to be those that received directly targeted assistance. Improvements in security created a wider peace dividend, as fields and groves could be cultivated and travel became safe.

This played a larger role in creating opportunities for welfare improvements than did the targeted post-conflict programs. The greatest determinants of stability in Aceh have not been post-conflict programs per se, but rather the high level political agreement on the necessity of peace, the structure of the peace agreement that allowed for the rapid accession of former fighters to political power, and the presence of other developmental resources that helped create a peace dividend.

Third, the Aceh experience shows the importance of macro conditions for improving the economic prospects of affected populations and for longer-run stability. Barriers to prosperity are often not primarily at the individual level but relate to broader issues such as damaged or inadequate infrastructure, uncertainty for (potential) investors, and barriers to accessing credit. Serious post-war challenges still exist in Aceh. However, the mechanisms to deal with them relate far more to issues of state-building and ensuring longer-term economic growth and development, than to assisting a particular small subset of the population. In Aceh, the challenge now is how to effectively make the transition from targeted assistance to efforts aimed at supporting longer-term conflict-sensitive development. The standard DDR toolkit says little about how to engineer that shift.

Despite only partial implementation of the standard DDR approach, the experience with reintegration programmes in Aceh raises broader questions about the efficacy of the reintegration model for some post-war societies. Reintegration frameworks such as the IDDRS arguably have far more utility for many of the states where conflicts have destroyed economies and devastated the social fabric based on local religious or ethnic rifts, and where democracy needs to be built from scratch and limited domestic resources or capacity exists.<sup>244</sup> Yet these are not the only places where wars occur and where peace agreements are reached. A critical review of the Aceh post-conflict experience—considering both its successes and failures—can help in the development of models to support peace processes in middle-income countries where markets and state institutions still function.

In Aceh, the challenge now is how to effectively make the transition from targeted assistance to efforts aimed at supporting longer-term conflict-sensitive development.

## 9.2 Recommendations: Towards a Framework for Peace and Development in Aceh

The following recommendations, based on the findings outlined above, are intended to provide a framework for supporting continuing peace and development in Aceh. The Governments of Aceh and Indonesia, and supporting donor agencies and programs, should be unified within a common strategic framework to maximise peace-building outcomes and to minimise possible future conflict. This can help support equitable, peaceful and sustainable development for all the people of Aceh.

### Livelihoods, Poverty and the Economy

(Table 9.2)

#### *Individual level*

1. **Move quickly from individual targeting of reintegration assistance to broader programs to improve community welfare.** Providing compensation assistance to individuals as outlined in the MoU should no longer be the cornerstone of post-conflict assistance programs in Aceh. There is a need to transition quickly to geographically-targeted approaches aimed at improving community and general welfare.
2. **Some targeted assistance, however, needs to continue.** Certain vulnerable groups still require targeted assistance or ongoing social welfare support. This includes female-headed households, displaced peoples, some conflict victims, the elderly and people unable to work, along with groups with potential to participate in conflict or criminal acts, such as unemployed or underemployed former combatants, those lacking skills or education, youth in high conflict-intensity districts. Support could take the form of regular social safety net programs, employment generation or business start-up assistance, skills training, or back-to-school assistance through scholarships. Proper identification of beneficiaries for targeted assistance through communities will require effort and resources but in the long run will lead to improved delivery, social cohesion and cost efficiency.



**The criteria for further individually-targeted assistance need to shift from the MoU categories and conflict era identities (former combatants, amnestied prisoners, and conflict victims) to other vulnerability measures.** These should focus on:

- a) **Security**, with limited economic assistance provided to individuals who pose a security risk (though such interventions must be designed so as to minimise incentives for disruptive behaviour).
- b) Programs directed at the **most marginalised households and individuals**, who are struggling to benefit from community-based and broader development approaches.

The latter should include special measures to assure that both economic development and livelihood support, and delivery of social services, take particular account of the special needs of women and children in post-conflict society. This can include guidelines that a set proportion of program assistance is allocated to women and female-headed households, and requirements that women be included in program decision-making and management structures and procedure.

3. **Identification of these individuals should be done through communities rather than conflict era structures and organisations**, which may have a vested interest in selecting beneficiaries. Avoidance of conflict-era labelling, such as former combatant, conflict widow and conflict IDP, for beneficiaries is recommended. Individual programs should take an inclusive approach and have benefits for the wider community to strengthen social cohesion.

**Table 9.2: Recommendations for Addressing Economic Needs**

	Level		
	Individual	Community	Macro
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Reintegration assistance has not led to significant improvements in welfare and has had some negative impacts.</li> <li>• Most ex-combatants are working but unmet expectations remain</li> <li>• Some groups are benefitting less from Aceh's recovery than others.</li> <li>• Initial reinsertion provided stability but future assistance should not be based on conflict-era identities.</li> <li>• Those unable to work are not receiving adequate social security support.</li> </ul>	<ul style="list-style-type: none"> <li>• Conflict damage to village and sub-district infrastructure hinders recovery and access to services.</li> <li>• Many conflict-affected communities and households still lack private goods and productive assets.</li> <li>• Community-driven approaches have not been utilised enough despite their relative success.</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion in non-reconstruction related sectors is needed.</li> <li>• While modest growth has been seen in agriculture, manufacturing and service sectors are not expanding.</li> <li>• Productive infrastructure is lacking or in poor condition.</li> <li>• Although the situation is improving, some ongoing corruption and perceptions of an increase in crime and conflict discourage investment and inflate costs.</li> <li>• Finance and other business development services are lacking.</li> <li>• Aceh Green is progressive and has potential if supported.</li> </ul>
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>• Shift from individual targeting to broader geographic targeting of development assistance; broad-based growth is needed to create conditions for sustainable peace in Aceh.</li> <li>• Continue with limited support for particular vulnerable groups and individuals with identification being done through communities rather than conflict-era structures. Women should actively be involved in the process.</li> <li>• Change criteria for targeting assistance from MoU categories to:               <ol style="list-style-type: none"> <li>a) individuals presenting a security threat, and;</li> <li>b) economically marginalised groups.</li> </ol> </li> <li>• Conflict era labelling of beneficiaries should be avoided.</li> <li>• Benefits from individual targeting programs should also have some benefit for the broader community as well to build social cohesion.</li> </ul>	<ul style="list-style-type: none"> <li>• Local infrastructure rehabilitation and construction, including community-managed projects, should be a major priority of district governments.</li> <li>• Provide community-managed block grant funding to livelihoods and small/medium enterprise development with delivery through local government agencies and NGOs.</li> <li>• Strengthen, develop and expand existing mechanisms such as Musrenbang and PNPM to ensure community needs are met and assistance is conflict sensitive. Moreover use these existing mechanisms as a vehicle to deliver additional peace building components.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote investment through tax breaks or other subsidies for investors and regulatory reform.</li> <li>• Improve access to credit and modern financial services; build the capacity of financial service providers.</li> <li>• Improve business advisory and other support services including 'single-window' licensing.</li> <li>• Promote investment in agriculture and agro-forestry and value adding industries.</li> <li>• Strengthen checks and balances and awareness of awareness of negative effects of corruption.</li> <li>• Invest in transportation, power, irrigation and other infrastructure.</li> <li>• Provide support to Aceh Green through technical assistance and policy support.</li> <li>• Continue to monitor the economic situation in Aceh.</li> </ul>

### *Community level*

1. **Community-managed funds and programs can lead to more effectively targeted goods provision which fits with community needs.** Programs, such as the existing PNPM/BKPG, can be extremely useful in providing:
  - a) **Small-scale infrastructure construction projects**, such as roads, bridges, irrigation, drainage, water and sanitation. Each can generate short-term employment and income opportunities, while providing badly-needed infrastructure to reduce isolation and promote economic development and diversification in rural areas.
  - b) **Livelihood projects and small- to medium-scale enterprise development**, including capital, skills development, and, when appropriate, establishment of village micro-credit associations and collective production and/or marketing groups.
2. **For medium-scale infrastructure and livelihood programs, developing partnerships between local government agencies and implementing NGOs can be effective.** Delivering state funds through such channels can improve quality and enhance government legitimacy, while raising understanding amongst government officials of effective service delivery.
3. **Existing government mechanisms such as PNPM and Musrenbang can be strengthened** in terms of their contribution to the consolidation of peace with national and international support to ensure community needs are being met and local conflict dynamics are taken in to account. These mechanisms can also be used as a vehicle for delivery of specific programs that add peace building value such as socialization of issues and capacity building for village leaders in local conflict resolution for example.
  - a) **Capacity building of facilitators, local leaders and NGOs in community-driven development and conflict-sensitive planning** can add value to existing government programming. Adopting conflict sensitivity indicators for local distribution of funds is important.
  - b) **Ensuring the active participation of women, IDPs/recent returnees and other marginalised groups** will also increase the impact of these programs. This requires more intensive facilitation and monitoring and, at times, ear-marked funding for such groups.
  - c) **Complementary support programs** such as awareness raising campaigns, special events and supplementary livelihood or infrastructure projects should be supported by donors and the government.



### *Macro level*

1. **Programs should be devised to utilise a portion of Aceh's Special Autonomy Fund and/or other public funds to create a more conducive environment for investment and business development.** This might include tax breaks and other forms of subsidy for potential investors, regulatory reform, business advisory and other support services, and continued development of 'single-window services' for business licensing.
2. **Improvements in access to credit and modern financial services are needed to support investment and enterprise development** in the province, especially in agro-business and value adding.
  - a) Both commercial banks and People's Credit Banks (Bank Perkreditan Rakyat (Shari'ah): BPR/S) need to **loosen lending amount regulations** to cater to the needs of successful medium-sized businesses. Bureaucratic regulations that hinder the establishment of bank branches in under-served areas, especially in conflict affected areas, also need to be loosened to increase access.
  - b) Methods to assess credit worthiness need to include **wider utilisation of cash-flow lending** to support successful but collateral-poor businesses.
  - c) Despite admirable efforts in capacity building by donor, NGO and government partnerships,<sup>245</sup>



**further mentoring and advice is needed for the BPR/S and Islamic Savings and Loans Cooperatives (Baitul Qiradh-BQ)** and further micro-finance service quality control mechanisms for BQs. Partnerships between commercial banks and BPR/S and BQ's can help improve capacity and support the development of more flexible lending products.

- d) **Finance and business services need to be promoted more effectively** in rural inland areas to increase people's awareness of the opportunities that are available.

3. **Increase the capacity and accessibility of business development and support services at the provincial and district levels.** The government should subsidise business service providers to improve their affordability to small and medium business entrepreneurs. Cooperative partnerships between these service providers and financial institutions would provide the necessary advice and training on access to credit and the development of sound business plans, thereby streamlining business development.

4. **Investment is needed to counterbalance declining oil and gas revenues and tsunami reconstruction aid.** In particular, there is a need to support growth in agriculture and agro-forestry, also to increase value adding within the province.

5. **The Governor's 'Aceh Green' draft policy should also be supported with technical and policy assistance as a guideline for environmentally sustainable investment that also supports the long-term peace process,** and legal instruments and enforcement should be strengthened against environmentally destructive practices to ensure long-term benefit from Aceh's valuable natural resources. With its innovative approach, it has the potential to increase Aceh's and Indonesia's reputation internationally for environmentally sound approaches to the economic growth and peace consolidation.<sup>246</sup>

In particular, there is a need to support growth in agriculture and agro-forestry, also to increase value adding within the province.

6. **Major investments are needed in transportation, power, irrigation and other infrastructure** in nearly all areas throughout the province. Priority for such investment should go to areas with the highest levels of conflict damage and poverty.

7. **Ongoing monitoring of the economic situation** in Aceh can assist in devising and refining effective development programs and regulatory frameworks.

## Politics, Security and Social Cohesion (Table 9.3)

### *Individual level*

1. **Promote a limited number of individually targeted projects for groups and individuals that pose a risk to peace.** The focus of such programs needs to be on: (a) building people's capacity so they can earn more at later points in life rather than providing immediate assistance; (b) breaking up disruptive social networks; and (c) combining economic assistance with other forms of 'social' support. Particular programs might include scholarships to study or participate in skills training programs elsewhere in Indonesia, job placement and apprenticeship schemes.



*Teachers and students enjoy a theatre performance for peace in Aceh Tengah.*

**Table 9.3: Recommendations for Addressing Socio-Political and Security Needs**

	Level		
	Individual	Community	Macro
<b>Challenges</b>	<ul style="list-style-type: none"> <li>Security has improved significantly since the MoU but there was a rise in localised violence up to the end of 2008.</li> <li>Violent disputes about aid distribution are common and domestic disputes frequently end in violence.</li> <li>Groups that pose potential threats to the peace process include disgruntled former combatants, PETA members and unemployed or under-employed youth.</li> </ul>	<ul style="list-style-type: none"> <li>Deeper reintegration of former combatants and displaced persons has still to happen.</li> <li>Many post-conflict programs have failed to take advantage of strong existing social capital.</li> <li>Communities' trust in local leaders and institutions is an underutilised socio-political resource.</li> </ul>	<ul style="list-style-type: none"> <li>Aid has often created or exacerbated conflict.</li> <li>Grievances in areas where sections of the population are pushing for partition from Aceh could undermine peace if they are not addressed.</li> <li>The continued presence of conflict-era organizations is maintaining conflict identities and hampering deep reintegration.</li> <li>Incomplete implementation of the Helsinki accords is an ongoing source of tension and suspicion.</li> </ul>
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>Individually targeted projects for conflict-sensitive groups and individuals:               <ol style="list-style-type: none"> <li>Scholarships to study in Aceh and elsewhere in Indonesia,</li> <li>Apprenticeship schemes.</li> <li>Training and placement programs for 'at-risk' youth in jobs overseas.</li> </ol> </li> <li>Public awareness-building, women's empowerment, and support services for victims of domestic violence.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage inclusiveness in development and business initiatives to avoid further clustering of only former combatants and displaced people.</li> <li>Engage community-level institutions in the planning and implementation of village infrastructure and social and economic development programs.</li> <li>Support capacity-building and conflict resolution skills development for village-level institutions.</li> <li>Provide adequate community meeting facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Use community-based beneficiary identification approaches and improve transparency in awarding government contracts.</li> <li>Address grievances in highlands and south-western districts but delay consideration of partitioning Aceh to form new provinces.</li> <li>Ongoing independent monitoring of the security situation in Aceh.</li> <li>Track and keep public informed of developments related to the Helsinki accords.</li> </ul>

- Given the current lack of jobs in Aceh, programs that send vulnerable individuals to work overseas offer promise.** Across Indonesia, large numbers of people go to work in other countries, gaining experience and sending back remittances. However, very few people leave Aceh to work formally outside of Indonesia. Providing training and overseas job placement for groups such as at-risk youth can provide economic opportunities, break-up disruptive social networks, while building human capital that can be beneficial to the broader Aceh economy.
- Combat domestic violence** through both preventive and responsive measures such as public awareness and education campaigns (especially those targeting boys and men), women's empowerment including independent skills, leadership and rights training and support services for victims of domestic violence. This can include support for, and collaboration with, local and provincial women's NGOs and Community Based Organisation (CBOs) and with local government.

### **Community level**

- Community and business development activities can enhance social cohesion if they bring together people from different social groups within villages.** Where projects are inclusive, and induce people from different groups (e.g. combatants and victims) to work together, they can improve social relations and improve acceptance.

2. **Engage village institutions and communities in the implementation of local infrastructure and social and economic development programs.** Local-level management of village development resources and programs can simultaneously enhance peace-building capacity within communities, while also delivering more effective project targeting and implementation. Existing platforms such as PNPM/BKPG already exist and future programs should consider working through these.
3. **Educate village leaders in conflict resolution techniques.** Simple facilitation and conflict-mediation training programs can assist and empower local leaders and communities to resolve problems themselves, reducing the need for law enforcement agencies to become involved in village affairs.
4. **Provide the infrastructure for community meetings.** This can be through the building or rehabilitation of village halls, which are an integral part of rural Aceh life. Experiences in tsunami-affected areas indicate that early provision of village halls and meunasah significantly boosted communities' capacity to take control of reconstruction programs in their own villages.

#### *Macro level*

1. **Community-based approaches in assistance and improved transparency in awarding contracts.** This can reduce the incentive to continue for conflict-era organizations by reducing the opportunities to profit as a group.
2. **The provincial and national governments should be firm in delaying consideration of partitioning province at this point in the peace process.** Current support for these movements—and support for the local elite who are promoting them—can be defused for the time being through increased government allocations for local development initiatives, infrastructure and improved service delivery in restive areas.
3. **Continue to monitor the security condition.** Initiatives such as the Aceh Peace Monitoring Updates and research reports on local elections, corruption, the incidence of violence and crime and the progress of socio-political and economic reintegration can help anticipate problems, assist policy-makers and supporting agencies to develop strategies, and respond to localised problems.
4. **Continued monitoring of the implementation of the MoU and the subsequent LoGA.** Keeping the public informed will reduce rumour mongering and political tensions.

### **Governance and Institutions** (Table 9.4)

#### *Community level*

1. **Establish and support modern, accountable and transparent village government institutions and structures.** This should include skills training and other forms of capacity-building. Also initiatives to better understand the underlying causes that undermine accountability and effective village governance should be pursued. Mentoring systems for village leaders and local development facilitators could be effective.
2. **Accelerate implementation of provincial and district legislation on village governance.** Numerous qanun are still required to clarify the roles and responsibilities of village and supra-village government, to be quickly followed by socialisation and appropriate guidance and capacity-building programs, to assist villages in developing the complete suite of institutions of modern accountable governance.



**Table 9.4: Recommendations for Addressing Governance and Institutional Needs**

	Level	
	Community	Macro
<b>Needs and Challenges</b>	<ul style="list-style-type: none"> <li>• Village communities' capacity for collective action is relatively weak.</li> <li>• Local decision-making is constrained by the absence of legislation on village governance.</li> <li>• Women's participation in local governance is limited.</li> <li>• Effective links and good relations between villages and higher levels of government are lacking.</li> </ul>	<ul style="list-style-type: none"> <li>• A broad government-wide strategy for consolidating peace is lacking. The initial Presidential Instruction No. 15, 2005, while innovative, has not been systematically implemented especially in regards to broad-based government assistance to the peace process.</li> <li>• BRA's authority and role are limited to mainly facilitating compensation-type assistance. It lacks capacity and a focused strategy to move from reintegration assistance to broader conflict-sensitive development in cooperation with government line ministries. There is also lack of institutional consensus with the central government on its role.</li> <li>• These issues have limited coordination between government and donors, and negatively affected resource mobilization.</li> <li>• Lack of coordination of peace-building and tsunami reconstruction programming has resulted in an imbalance between tsunami and conflict affected areas and a lack of conflict sensitivity.</li> <li>• Peace-building is not mainstreamed within government development planning and program management.</li> <li>• The capacity of provincial and district government agencies to effectively utilise Aceh's vastly expanded fiscal resources is weak.</li> <li>• Effective consultative mechanisms—between Jakarta and Aceh and between government and communities—are lacking.</li> <li>• TNI are still cautious toward the activities and motives of KPA and GAM members and are taking an assertive interpretation of the clauses in the LoGA regarding security. This risks alienating the Aceh public.</li> <li>• While crime rates have fallen and more crimes are being solved, there is still room for improvement in the police's investigative capacity and overall professionalism. This limited capacity in the police and general legal system undermines public faith in government and allows for conflict escalation.</li> </ul>
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>• Promote modern, accountable and transparent village government institutions and structures through skills training and capacity building.</li> <li>• Accelerate the passage and implementation of legislation and guidelines for village government.</li> <li>• Strengthen the implementation of the Musrenbang process.</li> </ul>	<ul style="list-style-type: none"> <li>• BRA together with the government should develop a transition plan for handing over conflict-related programming to line ministries within 2 to 4 years.</li> <li>• Development of a strategy for mainstreaming peace-building and conflict-sensitive development across government agencies.</li> <li>• Establishment of a temporary peace-building coordination body led by BRA and BAPPEDA.</li> <li>• An assessment of the implementation of Presidential Instruction No. 15 should be carried out with a view to improving long term peace process implementation by all relevant government institutions and agencies at national and local levels.</li> <li>• Ensure civil society has the capacity and support to take up 'soft' peace building activities.</li> <li>• Establishment of a department or unit for conflict-sensitive development within BAPPEDA.</li> <li>• Use the Conflict Intensity Index to help distribute special autonomy resources.</li> <li>• Consensus-building among parties involved in MoU and LOGA implementation is needed.</li> <li>• Continue to increase transparency and oversight, including independent monitoring.</li> <li>• Bolster research, development and analysis capacity of key government agencies.</li> <li>• Ongoing international support needed, but change approach and modalities.</li> <li>• TNI undertake its LoGA mandate to secure the unity and sovereignty of the nation in a way that rebuilds trust with the public while referring to the spirit of the MoU.</li> <li>• Further develop the police's investigative capacity, overall professionalism and its relationship with communities. Build transparency and competence of legal system.</li> <li>• Improve security sector governance through strengthened oversight and accountability mechanisms.</li> </ul>

3. **Strengthen and add value to the Musrenbang process** through ensuring that grass-root voices are heard and that decisions are conflict sensitive. This requires: (a) better publicizing of the Musrenbang process; (b) establishing accountability mechanisms (involving local NGOs, CBOs and the media); and (c) providing technical assistance and training on conflict-sensitivity for local government officials involved. The development of manuals on conflict-sensitive decision-making for Musrenbang participants would help to this end.
4. **Improve public outreach and relations capacity of district, provincial and national governments.** This is needed to dispel misperceptions, which could possibly derail the peace process, and build trust in higher levels of government at the community level.

#### *Macro level*

1. **BRA together with BAPPENAS and BAPPEDA should develop a transition plan leading to the handover of conflict related programming to provincial line ministries and agencies, and its closure over the next two to four years with the following steps:**
  - a) Partnering with other government agencies, BAPPEDA and BRA should develop a framework and action plan for mainstreaming and implementing peace-building and conflict-sensitive programming throughout the provincial government.
  - b) An assessment to be undertaken on the implementation of Presidential Instruction No. 15, 2005 as the foundation national framework of the peace process. The results of this assessment will take into account the fact that four years have passed since the promulgation of the Instruction and that the present day situation and needs have changed. Based on the results, new and concrete directions will be formulated to all relevant agencies and institutions to assume a more active role with clear responsibilities.
  - c) Establishing an interim coordinating body that is co-chaired by BRA and BAPPEDA and that engages the international community, relevant government agencies and Acehnese civil society, and works to devise mechanisms for the transition of longer term peace building programming and conflict-sensitive development to ministries and agencies.
  - d) Ensuring capacity and support for civil society to take up some of the 'soft' peace building activities such as advocacy, dialogues, and socialization that may not fall under government agency mandates.
2. **In the long term, BAPPEDA should ensure conflict sensitivity and coordinate at the provincial level with support from BAPPENAS.** BAPPEDA should work with all relevant government agencies that are involved in development to mainstream conflict sensitivity in to development programs across the government and to ensure that heavily conflict affected areas and vulnerable groups receive the special attention that they need. This could be done through the setting up a consultative body such as conflict-sensitive desk or section in the provincial and district BAPPEDA offices.

Strengthen and add value to the Musrenbang process through ensuring that grass-root voices are heard and that decisions are conflict sensitive.



*High school teachers from all over Aceh receiving training in peace education in Banda Aceh from local NGO Peace Education Program.*





*Reaping the harvest of peace through work.*

3. **International support for the transition and long-term strategic planning in the form of technical assistance, research, assessment and policy advice is encouraged.**
4. **Strengthen the capacity of the special provincial committee overseeing allocation of Special Autonomy resources**—emphasising principles of conflict-sensitive development. The existing conflict intensity index can be adapted to be used as a factor in the allocation of resources.
5. **Consensus-building among all parties involved in MoU and LOGA implementation is needed.** Thus includes the simplification and clarification of the role and mandate of the various fora currently engaged in communication, coordination and planning. Ideally, a sole mechanism can be established for formal communication and decision-making.
6. **Continue to increase government transparency and oversight.** This includes providing assistance to anti-corruption NGOs at the provincial and local levels, reform and capacity building of the legal system, and the provision of technical assistance. More stringent certification procedures for contractors engaging in government infrastructure projects is needed to ensure quality of work and better transparency.
7. **Further support for improving public services.** As well as the above mentioned transparency and oversight, support for improved public services is needed to rebuild trust in government at the local level.
8. **Bolster the research, development and analysis capacity of the provincial and district governments in development planning** – through supporting the research and development section (*Penelitian dan Pengembangan*, LITBANG) in key government agencies. Accurate and up-to-date data is imperative for effective design and implementation of conflict sensitive development programs.

In the long term, BAPPEDA should ensure conflict sensitivity and coordinate at the provincial level with support from BAPPENAS.

9. **Ongoing international support for the peace process in Aceh is vital, but a shift from direct implementation to support to government and civil society-led initiatives within a comprehensive framework is needed.** Nearly all of the above recommendations can be supported by the international community. This may require expert technical assistance, program development, consultative advice, facilitation of processes, institutional capacity building for both government and civil society, and adding value to existing government development programs such as PNPM and the Musrenbang to make them more responsive and sensitive to conflict. Outside of government and civil society initiatives, donors should respond with direct implementation only in niche areas of special need that address gaps in government programs. Even then, there should be close coordination with government initiatives. Ultimately, the government and other Indonesian stakeholders are responsible for the long-term success of the peace process. International actors should continue to play an important but supporting role in this effort.

10. **Rebuild vital trust between the TNI and the public.** Although TNI has a legitimate mandate based on the LoGA for maintaining, protecting and securing the unity and sovereignty of the Unitary Republic of Indonesia, this needs to be done in a way that rebuilds trust with Acehnese especially in former GAM strongholds and areas of high conflict. Moreover, the spirit of the MoU, stressing external defence over internal security, should be taken in to consideration as far as possible when fulfilling its LoGA defined mandate. The military must work closely with the police where they do play a role in investigating incidents—for example, by using military networks to provide intelligence on anti-MoU actors—and must continue to do so in accordance with prevailing laws and regulations, and, in the case of ‘other duties in Aceh’, in consultation with the Governor of Aceh.

Outside of government and civil society initiatives, donors should respond with direct implementation only in niche areas of special need that address gaps in government programs.

11. **Improve police skills and capacities to investigate crimes and arrest culprits.** Current donor programs focusing on community policing and human rights training—while useful—do not always address the need to increase police professionalism and capacity to do their job. Local police in Aceh need more personnel, improved investigative skills, and better training. A small number of former combatants who do not support the peace process, together with other potentially disruptive elements from movements to divide Aceh and nationalistic groups must also be closely tracked by police. Ongoing support to building a more transparent and competent legal system is needed.
12. **Improve security sector governance through strengthened oversight mechanisms** to clarify the roles and ensure the democratic accountability and transparency of the relevant agencies, improve their efficiency and effectiveness, and provide further assurance of MoU compliance. This can be done through support to provincial and district parliaments, NGOs, and accountability institutions such as ombudsmen.

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- Instruksi Presiden Republik Indonesia Nomor 15 Tahun 2005 tentang Pelaksanaan Nota Kesepakatan antara Pemerintah Republik Indonesia dan Gerakan Aceh Merdeka [Presidential Instruction No. 15 of 2005 on Implementation of the Memorandum of Understanding between the Government of Indonesia and the Free Aceh Movement].
- Peraturan Presiden Republik Indonesia Nomor 30 Tahun 2005 tentang Rencana Induk Rehabilitasi dan Rekonstruksi Wilayah dan Kehidupan Masyarakat Provinsi Nanggroe Aceh Darussalam dan Kepulauan Nias Provinsi Sumatera Utara [Presidential Regulation No. 30 of 2005 on the Master Plan for the Regional Rehabilitation and Reconstruction of People's Livelihoods in the Province of Nanggroe Aceh Darussalam and the Nias Islands of North Sumatra Province].
- Keputusan Presiden Nomor 22 Tahun 2005 tentang Pemberian Amnesti Umum dan Abolisi kepada Setiap Orang yang Terlibat dalam Gerakan Aceh Merdeka [Presidential Decree No. 22 of 2005 on Granting General Amnesty and Abolition to all People Involved with the Free Aceh Movement].
- Peraturan Presiden Republik Indonesia Nomor 47 Tahun 2008 tentang Perubahan atas Peraturan Presiden Republik Indonesia nomor 30 tahun 2005 tentang Rencana Induk Rehabilitasi dan Rekonstruksi Wilayah dan Kehidupan Masyarakat Provinsi Nanggroe Aceh Darussalam dan Kepulauan Nias Provinsi Sumatera Utara [Presidential Regulation No. 47 of 2008 Amending Presidential Instruction No. 30/2005 on the Master Plan for Regional Rehabilitation and Reconstruction of People's Livelihoods in the Province of Nanggroe Aceh Darussalam and the Nias Islands of North Sumatra Province].
- Peraturan Pemerintah dan Peraturan Presiden penjabaran Undang-Undang Nomor 11 Tahun 2006 [Subsequent government and presidential regulations derived from Law No. 11 of 2006 on the Governing of Aceh].
- a. Peraturan Pemerintah Republik Indonesia Nomor 20 Tahun 2007 tentang Partai Politik Lokal di Aceh [Government Regulation No. 20 of 2007 on Local Political Parties in Aceh].
  - b. Peraturan Pemerintah Republik Indonesia Nomor 58 Tahun 2009 tentang Persyaratan dan Tata Cara Pengangkatan dan Pemberhentian Sekretaris Daerah Aceh dan Sekretaris Daerah Kabupaten/Kota di Aceh [Government Regulation No. 58 of 2009 on Conditions and Procedures for the Appointment and Dismissal of the Aceh Provincial Secretary and Regional District and Municipality Secretaries].
  - c. Peraturan Presiden Nomor 75 Tahun 2008 tentang Tata Cara Konsultasi dan Pemberian Pertimbangan Atas Rencana Persetujuan Internasional, Rencana Pembentukan Undang-Undang, dan Kebijakan Administratif yang Berkaitan Langsung Dengan Pemerintah Aceh. [Presidential Regulation No. 75 of 2008 on Procedures for Consultation and Giving Consideration about Planned International Agreements, Planned Law Formulation, and Administrative Policy Directly Related with the Government of Aceh].

Direktif Menteri Koordinator bidang Politik, Hukum dan Keamanan selaku Koordinator Penyusunan Kebijakan, Pengendalian dan Pengawasan Nota Kepahaman Nomor: DIR-67/MENKO/POLHUKAM/12/2005 tentang Optimalisasi Pelaksanaan Nota Kesepahaman antara Pemerintah Republik Indonesia dan Gerakan Aceh Merdeka [Directive of the Coordinating Minister of Politics, Legal and Security Affairs as Coordinator of Policy, Implementation and Oversight of MoU Implementation No. DIR-67/MENKO/POLHUKAM/12/2005 on the Optimisation of Implementation of the Memorandum of Understanding between the Government of Indonesia and the Free Aceh Movement].

Keputusan Menteri Koordinator bidang Politik, Hukum dan Keamanan Nomor: KEP-31/MENKO/POLHUKAM/3/2007 tentang Perubahan dan Pengembangan Desk Aceh [Decree of the Coordinating Minister of Politics, Legal and Security Affairs No. KEP-31/MENKO/POLHUKAM/3/ 2007 on Modification and Enhancement of the Aceh Desk].

Keputusan Menteri Koordinator bidang Politik, Hukum dan Keamanan Nomor: KEP-44/MENKO/POLHUKAM/3/2008 tentang Forum Komunikasi dan Koordinasi Desk Aceh Kementarian Koordinator bidang Politik, Hukum dan Keamanan sebagaimana terakhir diubah melalui Kep-315/MENKO/POLHUKAM/5/2009 tentang Forum Komunikasi dan Koordinasi Desk Aceh Kementarian Koordinator bidang Politik, Hukum dan Keamanan Tahun 2009. [Decree of the Coordinating Minister of Politics, Legal and Security Affairs No. KEP-44/MENKO/POLHUKAM/3/ 2008 on the Forum for Communication and Coordination Desk Aceh of the Coordinating Ministry for Politics, Legal and Security Affairs last amended by Decree No. KEP-315/MENKO/POLHUKAM/5/2009 on the Forum for Communication and Coordination Desk Aceh of the Coordinating Ministry for Politics, Legal and Security Affairs].

Keputusan Menteri Dalam Negeri Nomor 120.05-851 Tahun 2005 tentang Pembentukan Tim Asistensi Pemerintahan di Aceh [Decree of the Minister of Home Affairs No. 120.05.-851 of 2005 on Formation of the Assistance Team for Governing Aceh].

Instruksi Menteri Dalam Negeri Nomor 6 Tahun 2005 tentang Pembentukan Sekretariat Koordinasi Pelaksanaan Reintegrasi Bekas Anggota GAM dan Pemberdayaannya ke Dalam Masyarakat di Aceh [Instruction of the Minister of Home Affairs No. 6 of 2005 on Formation of the Coordinating Secretariat for the Reintegration and Empowerment of Former GAM into Society in Aceh].

## Government of Aceh

Keputusan Gubernur Provinsi Nanggroe Aceh Darussalam Nomor: 330/225/2005 tentang Pembentukan Tim Sosialisasi Nota Kesepahaman Damai antara Pemerintah Indonesia dengan Gerakan Aceh Merdeka [Governor's Decree No. 330/225/2005 on Formation of the Socialisation Team for the MoU between the Government of Indonesia and the Free Aceh Movement].

Keputusan Gubernur Provinsi Nanggroe Aceh Darussalam Nomor: 330/406/2005 tentang Pembentukan Forum Bersama Pendukung Perdamaian Aceh [Governor's Decree No. 330/406/2005 on Formation of the Joint Forum to Support Peace in Aceh].

Keputusan Gubernur Provinsi Nanggroe Aceh Darussalam Nomor: 330/032/2006 tentang Pembentukan Badan Reintegrasi Mantan Anggota Gerakan Aceh Merdeka ke dalam Masyarakat [Governor's Decree No. 330/032/2006 on Formation of the Board for the Reintegration of Former Members of the Free Aceh Movement into Society].

Keputusan Gubernur Provinsi Nanggroe Aceh Darussalam Nomor: 330/106/2006 tentang Pembentukan Badan Reintegrasi-Damai Aceh [Governor's Decree No. 330/106/2006 on Formation of the Aceh Peace-Reintegration Board].

Keputusan Gubernur Provinsi Nanggroe Aceh Darussalam Nomor: 330/213/2006 tentang Susunan Organisasi Badan Pelaksana Harian Reintegrasi-Damai Aceh [Governor's Decree No. 330/213/2006 on the Organisational Structure of the Aceh Peace-Reintegration Board].

Keputusan Gubernur Provinsi Nanggroe Aceh Darussalam Nomor: 330/145/2007 tentang Pembentukan Badan Reintegrasi-Damai Aceh [Governor's Decree No. 330/145/2007 on Formation of the Aceh Peace-Reintegration Board].

Keputusan Gubernur Provinsi Nanggroe Aceh Darussalam Nomor: 330/438/2008 tentang Pembentukan Badan Reintegrasi-Damai Aceh [Governor's Decree No. 330/438/2008 on Formation of the Aceh Peace-Reintegration Board].

Keputusan Gubernur Provinsi Nanggroe Aceh Darussalam Nomor: 330/320/2009 tentang Pembentukan Badan Reintegrasi-Damai Aceh [Governor's Decree No. 330/320/2009 on Formation of the Aceh Peace-Reintegration Board].



## Endnotes

- <sup>1</sup> Law 11/2006 on The Governing of Aceh. Article 202.
- <sup>2</sup> Value adding in this context refers profits from raw materials and labour. Currently raw materials for manufacturing are sold relatively cheaply to enterprises or agents outside of Aceh for processing and manufacturing. Value is added to profits from raw materials if the processing and manufacturing is carried out in Aceh and sold for a higher profit within and outside the province.
- <sup>3</sup> BRA (2009). The table shows that BRA has allocated *diyat* (compensation) payments to the closest relatives of 29,828 people killed in the conflict. Figures are after BRA carried out its re-verification process for *diyat* beneficiaries.
- <sup>4</sup> 'Organic' and 'non-organic' refer to security force units and personnel, the former originating from, and based in, the province, while the latter are deployed from national (non-Aceh-based) units.
- <sup>5</sup> IOM (2008, p. 22).
- <sup>6</sup> Annex 4, p. 9.
- <sup>7</sup> See, for example, Anderson (1983), Columbijn and Lindblad (2002), Dirkse, Huskin and Rutten (1983), Ricklefs (1981), and Robinson (1998).
- <sup>8</sup> Aceh Monitoring Mission website, [http://www.aceh-mm.org/english/info\\_menu/archive.htm](http://www.aceh-mm.org/english/info_menu/archive.htm). Accessed 20 January 2008.
- <sup>9</sup> Annex 4, p. 9.
- <sup>10</sup> Independent Election Commission of Aceh (Komisi Independen Pemilu) website, <http://www.kipaceh.com>. Accessed October 17, 2009.
- <sup>11</sup> While the impact of the conflict on the economy has declined steadily since 2006, poverty remains much higher in rural interior and remote districts. World Bank (2008, p. 8).
- <sup>12</sup> The formal name of BRA is the Board for the Reintegration into Society of Former GAM Members (Badan Reintegrasi Mantan Anggota Gerakan Aceh Merdeka ke Dalam Masyarakat). Keputusan Gubernur Provinsi Nanggroe Aceh Darussalam Nomor: 330/032/2006 tanggal 11 Februari 2006. BRA website, <http://www.bra-aceh.org/history.php>. Accessed October 10, 2009.
- <sup>13</sup> See, for example: ACARP (2007, pp. 132-136); KDP (2006, pp. 72-75). See also Kenny (2007).
- <sup>14</sup> ACARP (2007, p. 110). In 2003, 76 Keuchik from the district of Bireuen resigned en masse, stating that they were incapable of protecting themselves or their communities, much less carrying out the duties of governing their villages. See Sinar Harapan (2003).
- <sup>15</sup> This data is outlined in KDP (2006).
- <sup>16</sup> World Bank (2006a, 2006c, 2008, 2009).
- <sup>17</sup> BRA (2008a).
- <sup>18</sup> BRA (2007).
- <sup>19</sup> IOM (2008) and IOM and Harvard University (2006).
- <sup>20</sup> Helsinki MoU (2005, Section 3.2).
- <sup>21</sup> The MSR came up with this estimate through the ARLS. Within each village surveyed, lists of former combatants were generated. These were compared with original estimates of combatant numbers developed for the GAM Needs Assessment, which drew largely on AMM data, see World Bank (2006). By looking at the fit between the numbers reported, and original estimates, it is possible to project total combatant numbers across Aceh. The ARLS anticipated that random household sampling would capture 60 percent of combatants in survey villages (one eighth of all villages in Aceh), producing a total number of 1,000 ex-combatants among the survey population. In fact, 1,075 respondents claimed ex-combatant status, meaning that the estimates were quite accurate. The probability of a former combatant being surveyed was  $P = \text{probability of village surveyed} (1/8) \times \text{probability of combatant surveyed within village} (0.6) = 0.125 \times 0.6 = 0.075$ . To produce an estimate of the total number of former combatants, the number surveyed (1,075) was divided by the probability of their being surveyed  $\{1,075/0.075\} = 14,333$ .  
The matter of the total numbers of combatants was obfuscated from the outset by GAM understating the number of combatants during the Helsinki negotiations. Whether this was intentional is unclear. Others contend that 3,000 was the real number of active combatants at the time of the MoU signing. Later, ex-GAM leaders publicly claimed that 15,000 gun-carrying combatants were entitled to assistance, though they did not clearly outline the timeframe when these individuals carried arms. In private settings, some ex-GAM leaders have set the number as high as 30,000. KPA distinguishes between 'military' and 'civilian' GAM; both, they assert, are eligible for reintegration assistance. The UNDP/CIDA/IOM Support to Former GAM Returnee Communities Project (MGKD), using a broader definition of ex-combatant than the MSR (including various categories of 'veteran'), estimates that the number of ex-combatants in Aceh could be as high as 42,000, with an active support network of some 210,000 people. However, the real figure is probably considerably lower, given that many local criminals often claim GAM/TNA ex-combatant status for purposes of extortion or social prestige, see IOM (2008, p. 7).
- <sup>22</sup> Not representative of all Aceh. As explained in Box 2.2, the female sample in the ARLS survey is drawn from an evaluation of the BRA-KDP program, conducted in the 67 rural sub-districts that participated in that program, along with 67 control sub-districts that did not participate but which were identified as comparable. While sampling within sub-districts is representative, and these sub-districts reflect a range of levels of conflict-affectedness, these sub-districts should not be considered representative of other areas in Aceh. Male respondents were drawn from villages across Aceh and are thus representative of the full male population. The ex-combatant sample is also representative of all ex-combatants in Aceh (see previous endnote).
- <sup>23</sup> Aceh is comprised of several distinct ethnic groups, with the majority Acehnese concentrated mainly in the province's northern and western coastal regions.
- <sup>24</sup> Annex 1, Tables 6 and 7.
- <sup>25</sup> No group in Aceh calls itself by the name PETA, but this term is now being used to describe all anti-separatist group members. A list of member organizations can be found in ICG (2005).
- <sup>26</sup> PETA membership was agreed to be 6,500 men at a meeting of the Commission on Security Arrangements (COSA) in 2006. As of the MSR's publication, some 5,000 have received reintegration assistance; the remaining 1,500 are expected to receive assistance in late 2009.
- <sup>27</sup> IOM (2008, Annex A).
- <sup>28</sup> ICG (2006, p. 8). Formerly, 'those who lost employment because of conflict' were also included in the definition of conflict victims; however, this group has subsequently been removed due to the fact that the conflict disrupted the employment of most Acehnese thereby making compensation unrealistic.

29 BRA website, <http://www.bra-aceh.org/program.php?hal=physical>. Accessed October 20, 2009. Other sources place the figure much higher; IOM estimates that 155,473 people were widowed at some stage of the conflict, 184,021 orphaned, 336,625 seriously injured, and 930,941 experienced psychological trauma, IOM (2008, p. 44), p. 44.

30 IOM's criteria was based on UN Resolution 1325 on 'Women, Peace and Security'. Adopted by the UN Security Council, October 31, 2000. Also from email correspondence with IOM. "International best-practice, and the programmes, understanding of a combatant is a man or woman who was involved in combat operations, including support to the combat operations. Support to combat operations includes logistics, intelligence and propaganda. A woman who 'went to the mountains' and cooked, cleaned, passed information or ran supplies, qualifies as a legitimate beneficiary for reintegration assistance, within the programme. A woman who stayed within the village and regularly hosted or supported 'fighters', also qualifies as a legitimate beneficiary for reintegration assistance." Dated January 21, 2007.

31 IOM (2008, p.8)

32 UNDP/Terres Des Hommes interview with Muzakhir Manaf, Banda Aceh, November 2008. Also based on discussions with Nur Djuli, BRA Director, Jakarta, March 2009. See endnote 30 for definition. The number of ex-combatants, including female ex-combatants, will vary greatly depending on the definition used to identify them.

33 Ibid.

34 Sydney Morning Herald (2000).

35 Annex 6, pp. 45-52.

36 For instance, in the 2006 IOM/Harvard University Psychosocial Needs Assessment survey, only one percent of female respondents reported rape, and four percent other sexual assault. This contrasts to much higher reported rates for other forms of violence and abuse: 20 percent reported having their body beaten; 14 percent being attacked with a knife or gun; 11 percent being tortured; seven percent suffered beatings to head; and seven percent strangulation (IOM and Harvard University 2006). Given the high frequency of other forms of violence against women, it is likely that the rape and sexual assault figures are significant under-estimates.

37 ACARP (2007, pp. 143-146).

38 Annex 1, Tables 82-84. The total number of people displaced at anytime found by the ARLS is in line with a survey undertaken by IOM in 2006, which found an estimated 103,453 conflict-induced IDP households at the end of the conflict (IOM 2008, p. 22). There are still many IDPs living in other parts of Indonesia, particularly North Sumatra and Java. There is also a significant population in Malaysia.

39 IOM (2008, p. 22).

40 IOM (2008, pp. 22-24).

41 IOM (2008, pp. 22-24).

42 Serambi (2008).

43 ECLAC (2003).

44 KDP (2006). The KDP survey information was supplemented by other data from various provincial agencies: Perpamsi NAD (damage to water supply infrastructure); and Dinas Peternakan and BPS (estimates of livestock lost during the conflict). The KDP study was conducted in August and September 2006 in 5,698 villages in 221 sub-districts in 18 districts (nearly every village and neighbourhood in the province, save most major urban areas). The study attempted to appraise damage caused by conflict, natural disasters (both the 2004 tsunami and other natural causes such as floods and landslides), and lack of maintenance. See MSR Annex 2 for further details.

45 The Conflict Intensity Index was developed as part of the design and development of the BRA-KDP program by BRA with technical assistance from the World Bank and other partners. It was designed to measure conflict at the *kecamatan* (sub-district) level in Aceh. The conflict intensity index categorises *kecamatan* in Aceh into three levels of intensity: high, medium and low. In total, the index covers 227 rural *kecamatan* and is based on nine indicators, which were weighted using factor analysis. These indicators are from six datasets compiled by *Dinsos*, the Provincial Military Command (Kodam), IOM, the World Bank, and conflict incidents as reported in two newspapers (Aceh Kita and Serambi). The indicators used are: number of conflict victims (2002), *Dinsos*; number of conflict victims (2003), *Dinsos*; number of conflict victims (2004), *Dinsos*; military conflict intensity, Kodam; GAM returnee estimates AMM/World Bank; political prisoner returnees, IOM; GAM-Gol conflict incidents (2005), Aceh Kita and Serambi (World Bank dataset); pre-MoU perceptions of safety, World Bank survey; and perceptions of GAM-Gol conflict (2004), World Bank survey.

46 GAM was established with a declaration of an independent Aceh on December 4, 1976 by Hasan di Tiro. Due to the fact that that it this was late in the year, we have started calculating the cost of conflict from 1977.

47 For example, if the sample year was a high intensity conflict year with 1,000 people killed, then the value of loss for that same indicator in a year where the conflict intensity was half (with 500 deaths) would also be half. The use of annual conflict intensity estimates allows for the annual loss from the conflict to correlate with the relative intensity of the conflict. This means that during years of low intensity conflict, the repair of assets and resumption of productive activity are taken in to account, and losses from destroyed assets are not automatically carried over indefinitely.

48 Olken and Barron (2008) have studied the cost of bribes paid by Acehnese truck drivers in the post-Helsinki period. However, it is impossible to extrapolate backwards to estimate overall costs because levels of bribes paid likely do not correlate directly with conflict intensity but rather are affected by other things such as government and police policies and troop levels.

49 The tsunami is estimated to have cost Rp. 41.4 trillion (US\$ 4.1 billion) in Aceh. BAPPENAS (2005, p. 22). The cost in 2008 figures taking in account inflation is Rp. 60.9 trillion (US\$ 6.1 billion).

50 Hamzah (2003).

51 World Bank (2009).

52 It is planned to be uploaded to the BRA website, <http://www.bra-aceh.org>.

53 BRA website, <http://www.bra-aceh.org/donor.php> but not updated in almost two years. Last accessed 23 June, 2009.

54 BRR-RAN Database website, <http://rand.brr.go.id>. RAN was managed by BRR to monitor and track tsunami recovery projects and expenditure. Last accessed 23 June, 2009.

55 BRR-RAN Database website, <http://rand.brr.go.id/RAND> > Public Views > List of Implementing Partners. Accessed 27 March, 2009.

56 Committed funds are the amount in US dollars, or other clearly defined currencies, that were to be provided by a donor based on the contract between the donor and the implementing partner. Allocated funds are either (a) those that were budgeted by the donors for a post-conflict recovery project or activity (i.e. a donor's budget allocation), or (b) funds that were earmarked to a certain project, activity or program. Allocated budget is generally generated from an agreed commitment in the MoU between an implementing partner and a donor, or in a log-frame stating detailed budget allocation and expected output indicators. Disbursed funds are the financial allocations made by a donor after the funds have already been spent for a project. Funds transferred to the government or NGO accounts, but which have not yet been spent by a project, are not defined as disbursements. From McKeon (2007).



- <sup>57</sup> All of the funds were disbursed through the BRA except 2007 funds for ex-PETA members, which were dispersed through *Kesbanglinmas*.
- <sup>58</sup> This third criterion was not applied to Aceh Jaya as all of its sub-districts are connected to the coast. Most sub-districts in Aceh Jaya have a short coastline and extend deep in to the hinterland. To calculate the amount of tsunami funds that indirectly contributed to reintegration and peace-building in Aceh Jaya, the average of the percentages of tsunami funds that were attributed to indirectly supporting reintegration and peace-building in the neighbouring districts of Aceh Barat and Aceh Besar was used. The conflict intensity was higher in Aceh Jaya than in Aceh Barat and Aceh Besar, which means that the estimate is conservative for Aceh Jaya. All districts on Simeulue are also connected to the coast, but due to the lack of conflict on Simeulue, tsunami funds for Simeulue were not taken in to account.
- <sup>59</sup> The 16 ECLAC categories are education, health, community, culture and religion, housing, transport, communication, energy, water and sanitation, flood control and irrigation works, other infrastructure, agriculture and livestock, fisheries, enterprise, environment, governance and administration, banking and finance. For complete category definitions, see Annex 2.
- <sup>60</sup> For example, the Japanese Government supported, and IOM implemented, 'Programme for Peace Building and Reintegration Assistance to Amnestied Free Aceh Movement Prisoners Recipients, Demobilized GAM Combatants and Conflict Affected Communities throughout Aceh' was identified as having both livelihood provision and community stabilisation aims. As such, the project was split in to Enterprises and, Community, Culture and Religion. Other large programs such as USAID's SERASI cover a range of sectors through grants to local NGOs, public institutions and other organisations. However, SERASI's primary aims are 'to mitigate social conflict and support peace-building through the peaceful resolution of communal and regional conflicts' and 'to initiate and develop more collaborative and transparent relationships among NGOs, academic institutions, the private sector and the government' to support 'Indonesia's continuing evolution into a peaceful, just and democratic nation with respect for pluralism and protection of human rights for all citizens'. As a result, the project was placed under Governance and Administration. See SERASI-IRD (n.d.) <http://www.SERASI-ird.org>, accessed 09 April 2009.
- <sup>61</sup> Helsinki MoU (2005, Article 3.2.5).
- <sup>62</sup> This figure includes all pardoned political prisoners most of whom were former combatants but also included a small number of activists who were not necessarily members of GAM.
- <sup>63</sup> From field observations by the Embassy of Japan, Aceh Contact Point Office during field monitoring in January, March, April and June 2007 across all districts of Aceh.
- <sup>64</sup> See World Bank (2006) and Zurstrassen (2006).
- <sup>65</sup> Information from IOM's Aceh team.
- <sup>66</sup> In 2005 and 2006 BRA managed the distribution of funds to 4,000 anti-separatist and homeland defender group members under the banner of PETA. However, in 2007 responsibility for 1,000 more members was given to *Kesbanglinmas*. The *Kesbanglinmas*-supported members have been included in the table for the sake of comprehensiveness.
- <sup>67</sup> GAM non-specified indicates beneficiaries who were GAM members during the conflict but for whom it is not clear whether the role they played was as combatant or supporters. It is also unclear whether they were active at the time of the MoU or not.
- <sup>68</sup> Morel et. al. (2009).
- <sup>69</sup> Barron et. al. (2009).
- <sup>70</sup> Annex 3, Section 2. See projects No. 106 and No. 109.
- <sup>71</sup> KDP (2007). Approximately 5000 houses had already been repaired before and just after the MoU.
- <sup>72</sup> This does not include the groups who received assistance through BRA-KDP. Many individual victims formed groups so they could collectively implement projects. See Barron et. al. (2009) and Morel et. al. (2009) for further discussion.
- <sup>73</sup> Barron, Clark and Daud (2005).
- <sup>74</sup> Burke and Afnan (2005).
- <sup>75</sup> World Bank (2006c).
- <sup>76</sup> Barron and Clark (2006).
- <sup>77</sup> Olken and Barron (2007).
- <sup>78</sup> Clarke and Palmer (2008).
- <sup>79</sup> Barron, Humphreys, Paler and Weinstein (2009).
- <sup>80</sup> IOM and Harvard University (2006 and 2007).
- <sup>81</sup> IOM (2008).
- <sup>82</sup> ACARP (2007).
- <sup>83</sup> ICG (2005, 2006, 2007, 2008 and 2009).
- <sup>84</sup> BRA (2007) and BRA (2009a).
- <sup>85</sup> E.g., Sujoti and Rahman (2007), Aceh Institute (2008; MSR Annex 6), see also <http://www.acehinstitute.org/>
- <sup>86</sup> Keputusan Gubernur Provinsi Nanggroe Aceh Darussalam Nomor: 330/225/2005 tentang Pembentukan Tim Sosialisasi Nota Kesepahaman Damai antara Pemerintah Indonesia dengan Gerakan Aceh Merdeka [Governor's Decree No. 330/225/2005 on Formation of the Socialisation Team for the MoU between the Government of Indonesia and the Free Aceh Movement].
- <sup>87</sup> E.g., Malik (2007).
- <sup>88</sup> See <http://www.iom.or.id/news.jsp?lang=eng&code=147&dcode=2>
- <sup>89</sup> Annex 1, Table 18.
- <sup>90</sup> Annex 1, Tables 13, 14 and 16.
- <sup>91</sup> Five percent of respondents who claimed to be eligible for *diyat* support were not receiving payments, while 42 percent of eligible households in BRA-KDP areas did not receive any direct benefits from the program. Annex 1, Table 18.
- <sup>92</sup> This figure does not include tsunami recovery and reconstruction funds for Nias Island. The total for both Aceh and Nias tsunami funds is US\$ 7.2 billion in 2008 figures.
- <sup>93</sup> See Burke and Afnan (2005) and Barron and Burke (2008).
- <sup>94</sup> Pidie District Government (2007). 'Terciptanya kesinambungan perdamaian di Kab Pidie untuk membangun kerangka dasar pengembangan daerah ke depan yang berbasis pada peningkatan kesejahteraan rakyat Pidie dalam bingkai udep saree mate sadjan, ibadat, hareukat, meusapat'. 'Mewujudkan kelestarian perdamaian di Kabupaten Pidie pada khususnya dan Propinsi pada umumnya'.
- <sup>95</sup> Aceh Utara District Government (2006).
- <sup>96</sup> Aceh Barat Daya District Government (2005).
- <sup>97</sup> Total from 46 editions of LAKIP from 2005-2007 from 19 districts. This is a conservative estimate because 14 editions of LAKIP could not be obtained.

- <sup>98</sup> UNDP's Peace Through Development program is a five-year program, which has been running since 2005, in Maluku, North Maluku and Central Sulawesi with BAPPENAS as its national partner. See [www.ptd.or.id](http://www.ptd.or.id) for more details.
- <sup>99</sup> Oversight Team of PNPM Mandiri (2008, p. 1)
- <sup>100</sup> Orphan (yatim, piatu or yatim piatu) in Indonesian is used to describe the absence of one or both parents, or children who were given up by their parents due to extreme poverty.
- <sup>101</sup> Agency for Electronic Data Processing-Aceh (2009), *Daftar-Rekapitulasi Data Anak Yatim, Piatu dan Yatim Piatu Berdasarkan Klasifikasi di Kabupaten/Kota Dalam Provinsi Nanggroe Aceh Darussalam*.
- <sup>102</sup> This data is based on the KDP Village Survey undertaken in August and September 2006, one year from the signing of the MoU in August 2005 (KDP 2006). This study assumes that the government was too busy dealing with the coastal post-tsunami response to pay attention to inland infrastructure damaged by conflict during this period.
- <sup>103</sup> World Bank (2008b).
- <sup>104</sup> Annex 1, Tables 28,30,32 and 33.
- <sup>105</sup> Annex 1, Tables 28, 30 and 31.
- <sup>106</sup> As noted in the previous chapter, BRA has provided scholarships to approximately 70 former combatants and 70 children of former combatants to attend university.
- <sup>107</sup> World Bank (2006c, pp. vii and x).
- <sup>108</sup> Annex 1, Table 36.
- <sup>109</sup> In the ARLS, individuals, whether ex-TNA or civilian, were classified as conflict victims if they considered themselves to be so.
- <sup>110</sup> Annex 1, Table 31.
- <sup>111</sup> World Bank (2006c, p. 16). Other forms of pre-GAM employment were as follows: temporary jobs (9 percent); fishermen (8 percent); drivers (3 percent); carpenters (2 percent); and other occupations (10 percent). Five percent of former combatants were unemployed before joining the movement.
- <sup>112</sup> World Bank (2008d, p. 8).
- <sup>113</sup> World Bank (2006c, p. 42).
- <sup>114</sup> Annex 1, Table 41.
- <sup>115</sup> Annex 1, Table 42.
- <sup>116</sup> Annex 5, p. 132.
- <sup>117</sup> This box is largely based on Aspinall (2009).
- <sup>118</sup> Andreas (2004, p. 46).
- <sup>119</sup> Transparency International (2005)
- <sup>120</sup> Throughout much of the conflict, increasing during its final phases, GAM fighters levied fees, called *pajak nanggroe*, or 'state taxes', on a huge variety of economic activities ranging from the wages of civil servants and the activities of small market traders, right up to construction projects funded by the government and some of the big natural resource companies in the province, often at a rate of about ten percent (though the rate varied tremendously). See Schulze (2004, p.24)
- <sup>121</sup> See Aspinall (2009).
- <sup>122</sup> Note, the income figures in Table 6.4 are for individuals, and cannot necessarily be combined to produce comparable figures for household income. Many female-headed households have no male income-earning members.
- <sup>123</sup> World Bank (2008, p. 12).
- <sup>124</sup> Annex 4, pp. 15-20 and Ross (2005).
- <sup>125</sup> World Bank (2008). Prior to the tsunami, communities along the coast were generally more prosperous than those living in isolated mountainous areas in the province's centre, many of which were severely impacted by the 30-year conflict.
- <sup>126</sup> World Bank (2008b).
- <sup>127</sup> World Bank (2008b).
- <sup>128</sup> This section draws heavily on World Bank (2009).
- <sup>129</sup> Annex 7, pp. 6-9 and pp. 25-27.
- <sup>130</sup> BRR established an Investor Outreach Office (IOO), Export Development Centre (EDC) and Packaging and Branding Clinic (Klinik Kemasan dan Merek, KKM) to facilitate investment and support local enterprise development. However, these agencies are largely ineffectual, and will be merged into existing government offices once international funding ceases. The provincial and several district and municipal governments have established 'single-window' permit processing facilities, with technical assistance from The Asia Foundation and AusAID.
- <sup>131</sup> Government of Nanggroe Aceh Darussalam (2008).
- <sup>132</sup> BKPM data only captures those investors hoping to take advantage of government facilities and incentives. Most local and domestic investors do not register with BKPM.
- <sup>133</sup> In 2007, the national Investment Coordinating Board (BKPM) recorded 1,608 direct foreign investment project approvals in Indonesia – an average of more than 50 FOR each of Indonesia's 32 provinces – with a combined value of US\$ 36 billion.
- <sup>134</sup> 2006-07 data only. BKPM does not have employment figures for its 2008 entries.
- <sup>135</sup> In January 2009, Governor Irwandi officiated at the opening of a new motorcycle and motor trishaw assembly plant near Banda Aceh, the first major private investment project in the province (other than three hotels built during the tsunami recovery boom) to have been realised since the signing of the Helsinki MoU.
- <sup>136</sup> World Bank (2008b).
- <sup>137</sup> World Bank (2008b).
- <sup>138</sup> Bank Indonesia (2008).
- <sup>139</sup> World Bank (2008, p. 19).
- <sup>140</sup> See Geneva Declaration (2008). In cases, this violence can be even more deadly than that which occurred during the war. In Guatemala, for example, post-war homicide rates were at time higher than during the peak of the civil war
- <sup>141</sup> See, for example, Collier et.al. (2003), Doyle and Sambanis (2006), Muggah (2009), Snyder (2000), Geneva Declaration (2008)
- <sup>142</sup> Data is from the World Bank's Conflict and Development Program, which has kept a record of incidents of conflict and violence in the province since the beginning of 2005. These are published in regular 'Aceh Conflict Monitoring Updates' that record and categorise all incidents of conflict reported in two provincial newspapers (Serambi and Aceh Kita). Updates are available at <http://www.conflictanddevelopment.org/>. The updates are now being published as 'Aceh Peace Monitoring Updates' by the Centre for Peace and Conflict Resolution Studies (CPCRS) at Syiah Kuala University.

- 143 The World Bank, with Bappenas and USAID-SERASI, is extending the Aceh Conflict Monitoring to other parts of  
 144 Indonesia. For data on Maluku, see <http://www.conflictanddevelopment.org/news.php?id=127>  
 145 Annex 5, p. 44.
- 146 This document, written in English, was addressed to 'the Secretary General of the United Nations; the Secretary  
 147 General of the European Union in Brussels, Finlandia (sic); Martti Ahtisaari, Director of CMI; and the Secretary of  
 148 ASEAN countries'.
- 149 ACMU interview with a PP member, May 2008.
- 150 'The only weapon not prohibited by the MoU'. ACMU interview with Tgk Brimob, 2008.
- 151 A credible source claims that not long before the kidnapping of the World Bank staff member, the group was paid a  
 152 ransom for the release of another international NGO worker, but the organization elected not to report the incident.  
 153 World Bank (2008c, p. 1).
- 154 See for example Annex 7, pp. 29-31.
- 155 BRA (2008a, p. 19).
- 156 For much of the conflict period, GAM militants were not charged with political crimes, but rather detained on criminal  
 157 charges (the Indonesian government labelled GAM not as a separatist guerrilla movement, but rather as a 'Security  
 158 Disturbance Gang'—Gerombolan Pengacau Keamanan, or GPK).
- 159 For a discussion of the limitations of using newspapers to map conflict, see Barron and Sharpe (2005).
- 160 Annex 1, Tables 48 and 49.
- 161 Geneva Declaration (2008, pp. 115-118).
- 162 Annex 1, Tables 50, 52 and 54.
- 163 Barron (2009, p. 18).
- 164 IOM (2008, p. 7).
- 165 Religious associations are the most common organizations found in villages, with 98 percent reporting an active  
 166 religious fellowship in their village. This did not change throughout the conflict, and is thus not a particularly good  
 167 indication of post-conflict social cohesion.
- 168 Barron (2009).
- 169 Annex 1, Tables 60, 61 and 63.
- 170 Annex 1, Tables 64-67.
- 171 Aguswandi (2008, p. 52).
- 172 The six parties to pass the verification process were: Partai Aceh - the 'official' party of ex-combatants and GAM's  
 173 political wing; Partai SIRA - led by former student pro-referendum activists, representing a younger, more urban  
 174 base than Partai Aceh; Aceh People's Party (Partai Rakyat Aceh, PRA)- a party of young, left-of-centre intellectu-  
 175 als and activists, with a base in urban areas, particularly outside the Acehese heartland; United Aceh Party (Partai  
 176 Bersatu Aceh, PBA)- made up of members of Aceh's non-GAM political establishment, including past or current  
 177 members of parliament, mostly former members of the National Mandate Party (PAN); Peaceful and Prosper-  
 178 ous Aceh Party (Partai Aceh Aman Sejahtera, PAAS)- led by another former parliament member, PAAS stresses  
 179 Acehese culture and tradition, and; Aceh Sovereignty Party (Partai Daulat Aceh, PDA)- the only explicitly Islamist  
 180 local party to have passed the verification process, representing non-GAM-affiliated ulama from Acehese Islamic  
 181 schools (dayah).
- 182 Press Release May 1, 2009. KIP Media Centre 'KIP Aceh Tuntaskan Rekapitulasi Suara DPR-RI, DPD dan DPRA'  
 183 'KIP Aceh Finalise the Recapitulation of Votes for the National, Provincial and District Parliaments': Banda Aceh.
- 184 Give2Asia and Asia Foundation (2007, p.12); International Institute for Democracy and Electoral Assistance website,  
 185 [http://www.idea.int/vt/country\\_view.cfm?CountryCode=ID#Parliamentary](http://www.idea.int/vt/country_view.cfm?CountryCode=ID#Parliamentary). Accessed September 14, 2009.
- 186 Antara News website, 9 July 2009, <http://www.antara.co.id/en/view/?i=1247081044&c=NAT&s>. Accessed July 18,  
 187 2009.
- 188 Annex 1, Tables 70-72.
- 189 Annex 6, pp. 2-13.
- 190 Annex 1, Tables 79 and 80.
- 191 Village Allocation Fund (ADG) grants, which have been administered in some districts in Aceh since 2005, are  
 192 primarily utilized to pay village government expenses.
- 193 Aceh Governor Regulation No. 25/2009 (Peraturan Gubernur Nanggroe Aceh Darussalam) 'Pedoman Pengelolaan  
 194 Bantuan Keuangan Peumakmue Gampong Dalam Provinsi Nanggroe Aceh, Darussalam, 6 March 2009.
- 195 May (2008, pp. 43-44).
- 196 Law 26/2000 on Human Rights Courts.
- 197 Law 27/2004 on the National Commission for Truth and Reconciliation.
- 198 ICG (2005, p. 8).
- 199 ICG (2008, p. 2).
- 200 Annex 5, p. 130.
- 201 ICG (2007, p. 1).
- 202 Helsinki MoU (2005, Article 1.1.4).
- 203 ICG (2006, p. 6).
- 204 Annex 5, p. 178.
- 205 Annex 5, p. 12.
- 206 Annex 5, pp. 8-9.
- 207 ICG (2005, p. 10). An earlier incarnation of ALA was called GALAKSI, an acronym for Gayo, Alas, Singkil, the three  
 208 main ethnic groups in the central highlands and south-western districts.
- 209 Annex 5, pp. 8-11.
- 210 Annex 5, pp. 177-179.
- 211 Annex 5, p. 8.
- 212 Annex 5, p. 8.
- 213 See Clark and Palmer (2008).
- 214 Annex 5, p. 74. In Acehese, 'si nyak koh awe dig le Meuruedu, pileh yang sulu peugot keu raga / jino karap troh  
 215 wate pemilu / jak pileh bangku bak neuduk raja / ubak partai gam keunan neu tuju / bek ragu-ragu wahe syedara /  
 216 so nyang han pileh atra indatu / beudoh jak pap ku keudeh u jawa / bek le di Aceh sino meu sue-sue / jak sawak iku  
 217 teubit u luwa'. Note that the translation 'get the hell out of here' while not a direct translation, does capture the sense  
 218 of an incredibly inappropriate insult and threat contained in 'jak sawak iku'.
- 219 Annex 7, p. 28.
- 220 Annex 7, pp. 27-29.
- 221 Specht et al. (2008, p. 22).

195 Presidential Regulation 47/ 2008 Amending Presidential Regulation 30/2005 on the Master Plan for Regional Re-  
 construction and Rehabilitation of Peoples' Livelihoods in the Province of Nanggroe Aceh Darussalam and the Nias  
 Islands in the Province of North Sumatra.

196 The box includes inputs from Glauca Boyer.

197 After the signing of the Helsinki MoU, the Aceh Monitoring Mission (AMM)—made up of representatives from the  
 EU, Norway, Switzerland and five ASEAN countries—was deployed, overseeing the implementation of the MoU.  
 AMM was present in Aceh for 15 months, departing four days after the December 2006 elections.

198 BRA's structure has been modified a number of times. The discussion below is of the new BRA structure, approved  
 by Governor Irwandi in July 2009. A detailed description of the new BRA structure is provided in Annex 10.

199 See Barron and Burke (2008) for an extensive discussion of the role of international agencies in supporting the  
 peace process.

200 Interpeace is chaired by former Finnish President Maarti Ahtisaari, who officiated the Helsinki negotiations. Recently,  
 Interpeace has broken with IPI. It appears that Peace Architecture and Conflict Transformation Alliance (PACTA), a  
 Finnish NGO, will now work with IPI to run the meetings.

201 In the four months following the signing of the accords, the TNI reduced its presence in Aceh from 35,000 to 14,700  
 troops. The national police reduced its presence from 15,000 to 9,100 during the same period.

202 ICG (2006, p. 9).

203 ICG (2009, p. 9).

204 ICG (2009, pp. 1 and 14).

205 Clearance Percentage Rate for Criminal Activity according to Regional Police 2006-2008. (Persentase Penyelesaian  
 Tindak Pidanan menurut Kepolisian Daerah, 2006-2008.) Obtained from BPS Jakarta by email September  
 17, 2009. Source Annual Situational Report for Public Security and Order, Police Headquarters (Laporan Tahunan  
 Situasi Kamtibmas Mabes Polri).

206 ICG (2009, pp. 1, 9 and 14).

207 Wilmot (2008, p. 79).

208 Wilmot (2008, pp. 76-79); ICG (2008, p. 4).

209 Serambi (2009).

210 This includes the Solidarity Movement for Anti-Corruption in Aceh (SoRAK-Aceh), the Aceh Anti-Corruption Move-  
 ment (GeRAK Aceh), the Grassroots Anti-Corruption Network (JARAK), the Anti-Corruption Solidarity Group (Ga-  
 SAK), the Aceh Transparency Community (MaTA), and the Working Group for a Peaceful Aceh without Corruption  
 (Pokja ADTK).

211 Governor of Aceh Decrees No. 330/032/2006, 330/106/2006, 330/213/2006, 330/145/2007, 330/438/2008 and  
 330/320/2009 on Formation of the Aceh Peace-Reintegration Board.

212 Rencana Strategis Badan Reintegrasi Aceh 2008-2010, p. 23.

213 Interview with government official in Banda Aceh. 16 October 2009.

214 2009 Activity Report Table. Regional Development and Regional Autonomy Sub Sector, BAPPENAS, Jakarta,  
 August 26, 2009 (Daftar Inventaris Masalah Laporan Kegiatan Tahun 2009. Kedeputan Bidang Pengembangan  
 Regional dan Otonomi Daerah. Kementerian Negara Perencanaan Pembangunan Nasional/BAPPENAS).

215 The central government allocated BRA a budget of Rp. 200 billion (US\$ 20 million) in 2005, Rp. 600 billion (US\$ 60  
 million) in 2006 and Rp. 700 billion (US\$ 70 million) in 2007, by which time it was anticipated that BRA would have  
 completed its mandate and its functions would be mainstreamed into existing government structures.

216 Governor's Decree No. 330/145/2007 on Formation of the Aceh Peace-Reintegration Board.

217 Government of Aceh (2007).

218 BRA had three executive directors in the first 18 months of its existence. However, Nur M. Djuli has held the post  
 since April 2007.

219 Barron and Burke (2008).

220 ICG (2007, p. 11).

221 Email correspondence with donor organization. Received September 25, 2009.

222 BRA (2009a, p. xiii)

223 BRA (2009b) and discussion with participant on October 21, 2009.

224 Barron (2009).

225 Burke and Afnan (2005).

226 The term Special Autonomy Fund (dana otsus) used to refer to the resource revenue sharing scheme wherein Aceh  
 received a higher share of revenues from gas and oil. In a rather bewildering word swap in the 2006 LoGA, this term  
 now refers to Aceh's additional 2 percent share of DAU funds, while the hydrocarbon revenue-sharing allocations  
 are called 'additional revenue-sharing oil and gas' (dana bagi hasil sumberdaya alam, DBH SDA).

227 Presidential Regulation No. 47/2008 Amending Presidential Regulation No. 30/2005 on the Master Plan for Regional  
 Rehabilitation and Reconstruction of People's Livelihoods in the Province of Nanggroe Aceh Darussalam and the  
 Nias Islands of North Sumatra Province.

228 Wahab (2008, pp. 17-19).

229 World Bank (2008a, p. 16).

230 World Bank (2008a, p. 18).

231 World Bank (2008a, p. 22).

232 World Bank (2006a, p. 71).

233 World Bank (2008a, p. 26).

234 Kemitraan Partnership (2009)

235 Transparency International (2008, pp.12-13)

236 ACARP (2007, pp. 109-128).

237 World Bank (2006).

238 Helsinki MoU (2005, Article 3.2.5).

239 Barron et. al. (2009).

240 This box draws heavily on Barron (2009).

241 Muggah (2009).

242 Kingma (2001, p. 1). By 2007, the annual budget for DDR exceeded USD 630 million (Muggah 2009).

243 UN Integrated DDR Standards (IDDRS – UNDDR 2006) and the Stockholm Initiative on DDR (Swedish MFA 2006).

244 Peake (2009).

245 See <http://www.aceh-microfinance.org>. GTZ, ADB, Mercy Corps, Bank of Indonesia, USAID, Save the Children,  
 Hivos, Sparkassenstiftung fuer internationale Kooperation, and Triangle Génération Humanitaire have cooperated in  
 rebuilding and developing Aceh's micro-finance institutions and business development service providers. Accessed  
 April 20 2009.

<sup>246</sup> 'The Green Economic Development and Investment Strategy for Aceh Province', also known as 'Aceh Green', is the Governor's draft policy framework to guide environmentally sustainable investment and development in the province. The Aceh Green policy framework integrates the themes of climate change, renewable energy, land use management, community development, commerce and conservation. The strategy takes an agro-ecosystem approach, dividing Aceh into five main land-use categories based on the main (agro-) ecosystems in the province. Aceh Green identifies nine sustainable development priorities for Aceh, falling into three main categories: (a) Land Use, Land Use Change and Forest Management: Forest Protection, Reforestation, and Community Forestry and Agro-forestry Development; (b) Sustainable Economic Development: Spatial Planning, Smallholder Estate Crops, Fisheries and Aquaculture, and Public Infrastructure Development; and (c) Renewable Green Energy: Geothermal and Hydropower Development. All potential investors and donors are encouraged to synchronise their plans and programs with the Aceh Green strategy framework.









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