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ACEH: NEGOTIATING SUBSTANTIVE ISSUES

Briefing Packet for the United States Delegation

Negotiation Simulation

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I. BACKGROUND OF THE CONFLICT

History

Aceh is the northernmost province of Indonesia, situated on the Island of Sumatra. It is one of the most rebellious provinces in Indonesia and has long played a vital role in the country.

After the nationalization of the Dutch East Indies Company in 1799, the Dutch controlled almost all of the territory that would later become Indonesia. When the Dutch attempted to conquer Aceh, the Acehnese resisted ferociously, beginning a long and bloody conflict. The “Dutch War” (or “Aceh War”) lasted until the early 20th century, but eventually the Dutch gained control of the region.

Under Dutch rule, the Acehnese were involved in various national and political movements, including various Islamic and anti-Dutch movements. During this time, the people from Aceh also became increasingly involved in Indonesia’s national movement. The Acehnese, like many others in Indonesia, welcomed the Japanese troops when they landed in Aceh on March 12, 1942, as it was hoped that the Japanese would end all colonialism in Indonesia. Much to the dismay of most of Indonesia, the Dutch returned after WWII, but they did not return to Aceh.

Despite the Dutch presence, Indonesia declared independence on August 17, 1945. Aceh came to the forefront in support of the new independent country. Indonesia declared war on the Dutch, which continued from 1945 until 1949. In 1947, Indonesia and the Netherlands signed the Linggarjati Agreement, in which the Dutch recognized Indonesian sovereignty over the islands of Java, Sumatra, and Madura. Many Indonesians viewed the deal as a violation of Indonesia's independence proclamation of August 1945, which implied sovereignty over the whole territory of the Republic. The agreement sparked guerrilla fighting and led to another four years of violence and territorial disputes between the Netherlands and Indonesia.

Many Acehnese see the 1949 Round Table Conference Agreements as the first serious betrayal of their homeland. Brokered through the United Nations, the agreements provided for a transfer of sovereignty between the territory of the Dutch East Indies and a fully independent Indonesia. On December 27, 1949, the Republic of Indonesia was born. The Kingdom of Aceh was included in the agreements despite not having been formally incorporated into the Dutch colonial possession. The Indonesian Government then used armed troops to annex Aceh.

To quell some of the Acehnese anger, the leader of the emergency government signed a decree establishing Aceh as a province. However, in 1950, the council of ministers of the Federal Republic of Indonesia disregarded the decree and divided the country into 10 provinces. Aceh became part of North Sumatra province.

In 1959, the Indonesian Government responded to the increasing outcry among the Acehnese against the central government by giving Aceh the status of “special territory,” which conferred an unusually high degree of autonomy in religious, educational and cultural matters. The

government believed the special status would lead Aceh to greater prosperity and help bring the Acehnese into the Indonesian mainstream. However, this status did not address some of the more pressing problems in Aceh, such as foreign control of natural resources and an oppressive military presence. Therefore, despite some economic gains and the more widespread acceptance of the Indonesian Government, many Acehnese still insisted on an independent Islamic state.

Since the independence of Indonesia in 1949, a large number of Acehnese have manifested their intention to exercise the right of self-determination. In 1976, Teungku Hasan di Tiro founded the Aceh/Sumatra National Liberation Front, which was later renamed the Free Aceh Movement, and declared the independence of Aceh. In response, President Suharto intensified military campaigns and imposed martial law in Aceh. Suharto's successor, President Wahid, lifted martial law in 1998, but armed conflicts continue between Indonesian security forces and the Free Aceh Movement. Both sides allege that the other has committed serious human rights abuses.

Past Attempts at Negotiating Peace

In 2000, the Henry Dunant Centre brought the Free Aceh Movement and the Indonesian Government together for peace negotiations. On May 12, 2000, both parties signed the Joint Understanding on Humanitarian Pause for Aceh. The primary objective of the Agreement was to provide humanitarian assistance to the people in Aceh. The moderation of the security measures from both sides was important to achieve this goal, but not a primary objective. The Agreement was also intended to facilitate negotiations for a peaceful solution by promoting trust and confidence between the two groups.

Unfortunately, the political instability in the Wahid administration prevented both parties from fully implementing the Humanitarian Pause Agreement. According to the Agreement, all movements by troops from either side were to be reported to the Joint Committee on Security Modalities. President Wahid failed to enforce this aspect of the Agreement with the military. In fact, due to the strong pressure by several Indonesian military leaders, President Wahid issued the Presidential Instruction (Inpres) No. 4 on April 11, 2001, which stated that the efforts to resolve the conflict through dialogue had produced no result and violence by the Free Aceh Movement was increasing. The Presidential Instruction also restructured the security apparatus of the Indonesian military and increased the number of troops involved in the conflict.

It was obvious to all parties that the Humanitarian Pause Agreement was ineffective in practice, nonetheless, the Agreement was extended twice. During this period, intermittent meetings between the Free Aceh Movement and the Indonesian Government continued to take place in Geneva. Eventually the meetings stopped and the Agreement failed. The farce surrounding the disintegration of the Agreement illustrates the overall difficulty the two parties continue to experience in attempting to negotiate with one another. The Free Aceh Movement began sending second and third level commanders to the meetings in Geneva because they suspected that the Indonesian Government would use the meetings to capture senior commanders. In return, the Indonesian Government withdrew from the meetings, complaining that the Free Aceh Movement did not send its top commanders to the talks. However, the Indonesian Government

withdrew only after the Indonesian police arrested the entire negotiation team of the Free Aceh Movement during the last round of negotiations in Geneva.

Despite increased failures at reaching a peaceful resolution to the conflict, negotiations between the parties continued. In July, 2001, the Indonesian Government passed the Special Autonomy Act. This act provided Aceh with a limited self-government, as well as increasing the region's share of the revenues from its natural resources. The Indonesian Government thought that the Special Autonomy Act would reduce the support for independence in Aceh. However, the Free Aceh Movement has not shown much support for this Act, especially since it does not specify how it is going to be implemented, and continues to demand independence.

Representatives from the Free Aceh Movement and the Indonesian Government met again in Geneva in February of 2002. As a result of this round of discussions, the Indonesian Government agreed to include the "Four Wise Men" in the peace process. The "Four Wise Men" are a group of foreign nationals who are interested in facilitating the peace process in Aceh.

With the assistance of the international community and the Four Wise Men, a Cessation of Hostilities Agreement was signed on December 9, 2002. The Agreement provided the region with the first real hope for a sustainable peace. Despite the parties' commitment to the peace process, key issues in the Agreement remained unsolved.

Among the issues left unanswered in the Cessation of Hostilities Framework Agreement was the major question of eventual independence for Aceh. While the Free Aceh Movement and the Indonesian Government agreed to accept the Special Autonomy Act as a "starting point," they also agreed to hold an election in 2004 for "the subsequent establishment of a democratically elected government in Aceh, Indonesia, in accordance with the review of the NAD Law (Special Autonomy Act)." This language on its face seems to suggest that the Aceh would remain a part of Indonesia after the election. However, numerous reports still suggest that the Free Aceh Movement has not given up the independence of Aceh. In addition, the nature of the 2004 election was unclear. Although the Acehnese could select the governor, district representative and mayors in the 2004 election, it was not clear whether the Free Aceh Movement could participate in this election, because the Indonesian constitution allows only well-financed and Jakarta-based political parties participate in Indonesian elections.

The key measures of the Cessation of Hostilities Framework Agreement failed to be enacted by either party to the conflict. New peace negotiations were arranged in Geneva by the Henry Dunant Centre for late April of 2003 in order to save the Agreement and restart the peace process. These negotiations never took place. The Indonesian government, under the leadership of President Megawati Sukarnoputri, lost patience with the Free Aceh Movement and imposed a unilateral deadline of May 12, 2003 for the disarmament of the faction and insisted that the group give up its fight for independence. After the deadline had passed, the Indonesian government began a military build-up in Aceh.

In a last ditch effort, the government of Japan hosted talks in Tokyo starting on May 17, but they ceased one day later without any progress. Hours later, the Indonesian government declared martial law in Aceh and began a military offensive against the Free Aceh Movement.

Negotiators for the Free Aceh Movement have since been arrested and found guilty of breaking criminal, treason, and terrorist laws. The military offensive and the imposition of martial law in the region continues. The freedom of journalists covering the conflict has been severely restricted and some have been arrested. The new violence has resulted in civilian deaths, internally displaced persons, and allegations of human rights abuses by the Indonesian military. Although all members of the Joint Security Committee have been relieved of their duties, the Henry Dunant Centre continues to staff a small office in the hopes that peace negotiations will resume.

The Economic Situation in Aceh

The home states of foreign investors want to assure the safety of their nationals in Aceh. For this purpose, a successful ceasefire is a basic condition. For example, the United States has a strong interest in protecting Exxon, which is the largest investor in Aceh, and Indonesia's natural gas reserves also makes its stability a strategic importance. More broadly, to maintain the health of the regional economy in Asia, the international community wants to stabilize the economic situation in Indonesia, which has had problems since 1997 Asian economic crises .

Despite the international pressure to reach a peaceful solution to the conflict in Aceh, there are several forces working against a sustainable peace. For instance, the conflict has been very lucrative to some members of both the Free Aceh Movement and the Indonesian Government. Illegal loggings, road taxes and weapons sales are run by both sides and easier to operate in a conflict situation than in a peaceful situation. These activities provide disincentives for the parties to implement a ceasefire agreement

Current International Involvement in Aceh

The international community has economic and security interests in Aceh and the region as a whole. After the September 11th tragedy, the US interest in restoring stability in Indonesia has increased given the geopolitical interest in Indonesia in the war against terrorism. Indonesia has the largest Muslim population in the world. In addition, failure to resolve the Aceh conflict is likely to have a significant impact on the resolution of other civil conflicts and on the stability of ethnic relations in Indonesia and other East Asian countries (such as Mindanao in the Philippines, Papua in Indonesia, as well as the rise of the PAS Islamic party in Malaysia).

International donor countries have also expressed their interest in the protection of human rights and post-conflict reconstruction of Aceh. Over the last few decades there have been increase allegations of violence and human rights violations by both the Indonesian Government and the people of Aceh.

As previously mentioned, initial attempts at peace talks facilitated by the Henry Dunant Center began in 1999, but they were not as fruitful as had been expected. Since 1999, the Center has increased the level of its involvement in the peace process through the introduction of the Four Wise Men into the negotiations. The ability to construct and sign the Cessation of Hostilities Framework Agreement in December 2002, is largely contributed to the involvement of the Four Wise Men and the international community as a whole. With the restart of hostilities, the

combined efforts of the Henry Dunant Center, the Four Wise Men, and the international community will most likely be necessary to help establish a new ceasefire arrangement and negotiate the substantive issues.

Context of the Simulation

Although the fighting in Aceh continues, the historical background of the conflict suggests that only through the creation of a new ceasefire and the negotiation of several substantive issues will peace prevail in the region. This simulation assumes that the hostilities have subsided and a new ceasefire agreement similar to the now defunct Cessation of Hostilities Framework Agreement has been established through the help of the Henry Dunant Centre/the Four Wise Men and the international community. This ceasefire agreement has only halted the hostilities, and has left many substantive issues unresolved. The gaming exercise focuses on these major points of contention that must be addressed in the negotiations that follow the new ceasefire arrangement.

II. KEY PLAYERS

The Indonesian Government

President Megawati and members of her administration will be representing the interests of the Indonesian Government at the peace negotiations. The role of President Megawati will be essential in the peace process. In order to fully appreciate the position of the Government it is important to have an understanding of the significant role the former Indonesian Government (Suharto regime) played in attempting to end the conflict in Aceh. Many of the attempts made by the Suharto regime to quell the independence movement in Aceh were not peaceful in nature. For example, in the early 90's former President Suharto's implemented martial law in Aceh, which contributed to several human rights abuses by Indonesian security and military forces.

Members of the Megawati administration participating in the coalition for the Indonesian Government will include the Vice President, Hamzah Haz, and Hasan Wirajuda, the Foreign Minister of Indonesia.

Another key player in the peace talks will be a representative from the National Security Force, which has been accused of committing human rights violations against Free Aceh Movement members. The National Security Force has also recently been accused of participating in the drug trade in Aceh.

Governor Puteh from the Aceh Provincial Government will also be involved in the Peace talks. In previous attempts to negotiate peace, Governor Puteh has served as a primary negotiator for the Indonesian Government.

The Free Aceh Movement

Members from the Free Aceh Movement will also be represented in the peace negotiations. Hasan di Tiro, the titular head of the Free Aceh Movement, currently exiled in Sweden, will be a key player. Unlike past peace talks between the parties, the safety and security of the negotiators

must be assured by the Indonesian Government, so that the top commanders of the Free Aceh Movement may confidently participate.

In addition, a representative of the “civil society” in Aceh will participate in the talks.

Internationals

The members representing the interests of the international community include the United Nations, the United States, Japan, and the Henry Dunant Center (in represented by the Four Wise Men). The ultimate goal of all parties is to reach a sustainable peace, however, the particular issues of importance may vary slightly among the members of the international team.

Japan, as the Indonesia’s largest donor, has a stake in the peace and reconstruction in Aceh. As previously mentioned, the European Union member states and the United States are dedicated to supporting the peace process; their interests are both economic and political in nature and are greatly influenced by the threat regional conflicts in Indonesia pose upon global security. The Four Wise Men will also have a significant role at the peace talks and are the official representatives of the Henry Dunant Center in Geneva, Switzerland. The Four Wise Men were involved in the Geneva Talks as facilitators in the peace process. The interests of the Four Wise Men mirror the interests of the Henry Dunant Centre.

Japan, the United States, the European Union and the World Bank hosted the Preparatory Conference on Peace and Reconstruction in Aceh one week before the December 9, 2002, Cessation of Hostilities Framework Agreement was signed. Twenty-three countries and international organizations participated in this conference and expressed their commitment to provide financial support for the implementation of the Agreement and post-conflict reconstruction in Aceh.

Other Interested Parties

Although not represented in the simulation, the following parties have an interest in promoting peace in Aceh. Thailand and the Philippines are committed to resolving the conflict in Aceh. The armed forces from both countries were members of *monitoring teams* responsible for assisting the Joint Security Committee in implementing the terms of the Cessation of Hostilities Framework Agreement.

Several UN agencies, such as UNDP and UNHCR, are presently involved in Aceh. In addition, the World Bank and Asian Development Bank have shown their commitment to support the peace and reconstruction in Aceh. World Bank has pledged US\$8 million to a community assistance program in Aceh.

There are also several non-governmental organizations that are involved in the conflict in Aceh. The following NGO’s are the most visible: Human Rights Watch, an independent NGO that conducts field investigations and reporting on major human rights violations around the world; the International Crisis Group (ICG), a multinational NGO with over 80 staff members on five continents that conducts field research and high-level advocacy to prevent and resolve

deadly conflicts; the U.S. Committee for Refugees (USCR), which is actively involved in Aceh and wrote a report on the refugee situation in the area in January 2002; and lastly, the International Labor Rights Fund (ILRF), a Washington based NGO committed to achieving just and humane treatment for workers worldwide.

The ExxonMobil Company has a large stake in the outcome of the resolution of the conflict in Aceh and will probably be represented (informally) by the United States, whose economic interests in the region are inextricably tied to those of Exxon.

III. TEAM PERSPECTIVE—INTERNATIONALS: THE UNITED STATES

Members of the international community interested in peace and reconstruction of Aceh include the United States, Japan, the United Nations, and the Henry Dunant Centre, a Swiss-based NGO (assisted by the Four Wise Men). Although each member of the international community has slightly different priorities and positions on particular issues, the internationals generally have a strong interest in maintaining stability in Aceh. Thus, the internationals are eager to see the Indonesian Government and the Free Aceh Movement comply with the new ceasefire agreement and move the peace process along through new negotiations. The Internationals are willing to provide humanitarian assistance for the peoples in Aceh and financial assistance for the reconstruction of the war-torn Aceh. Some international participants, particularly the United States and Japan also have an economic interest in Aceh.

The United States' interest in resolving the conflict in Aceh is two-fold. First, since the September 11th attacks, the United States has focused its attention on resolving regional conflicts around the globe as part of the war against terrorism. The introduction of the Four Wise Men into the peace process in Aceh was, in part, due to the United States' reaction to the September 11th attacks. The United States believes that there is a clear link between separatist movements and terrorism, as it is widely known that separatist conflicts have become breeding grounds for terrorist cells. Post September 11th, the overall instability in Indonesia has become a particular concern to the United States since it is the largest Muslim country in the world. The United States needs support from moderate Indonesian Muslims to maintain stability in the Middle East and restrain opponents in the Muslim community.

The recent bombing incident in Bali in October 2002 also brought to the forefront the key role Indonesia plays in the war on terrorism. In the aftermath of the attacks, the United States criticized the Indonesian Government for its lenient anti-terrorist measures. The incident put domestic pressure on President Megawati Sukarnoputri to quell international terrorists as well as domestic separatists. Interestingly, the latter goal may be in conflict with United States interests, as the United States does not want the Indonesian Government to intensify military campaigns in civil conflict.

The second concern of the United States revolves around the presence of ExxonMobile in Aceh. In March 2001, ExxonMobil was forced to shut down the operation of its major plant, under threats from intensified civil conflicts in Northern Aceh. In response, the Indonesian Government dispatched national security forces to the ExxonMobil plant. One issue that may surface during the peace talks involves the accusations of the Free Aceh Movement of alleged human rights abuses by the national security forces hired by ExxonMobile.

The main goal of the United States is to restore stability in the entire archipelago of Indonesia, while hopefully maintaining the territorial integrity of Indonesia. As such, they are not likely to support the independence of Aceh, as they did with East Timor, because of the implications it imposes upon the other active conflicts in Indonesia. The US is likely to push for very strong autonomous rule in Aceh.

Views of Other Participants in the Simulation

Japan

Like the United States, Japan has important security and economic interests in Aceh. However, the Japanese security interest is primarily related to its economic interest rather than the eradication of terrorist activities. Since Japan has almost no natural resources, it has long relied on imports of oil and natural gas from Indonesia. As such, Japan is interested in the security of Aceh, particularly in the area where the ExxonMobil plant is located, in order to secure a source of oil and natural gas.

Japan is the largest donor to Indonesia and has long maintained friendly relationship with the Indonesian Government. Furthermore, Japan has been at the forefront of extending economic assistance to Aceh, and its total amount has exceeded 700 million US dollars. The Japanese economic assistance to Aceh was used to build and renovate orphanages, elementary schools, and Islamic boarding schools, and to help internally displaced persons. However, some of the Japanese development programs in Aceh were suspended due to the conflict in Aceh.

Because of their experiences in development assistance in Aceh, the Japanese think that the best way for them to contribute to the sustainable peace in Aceh is through the provision of post-war reconstruction programs. Thus, Japan is interested in taking a leading role in assisting the social and economic reconstruction of Aceh. However, Japan insists that the peace in Aceh must be first maintained through the successful implementation of the ceasefire agreement. Until then, Japan is not willing to promote social and economic development programs for Aceh. Unlike Thailand or the Philippines, Japan may not want to deploy the Self-Defense Force to monitor the ceasefire in Aceh. However, Japan is willing to provide financial assistance for the implementation of the new ceasefire agreement. Currently, Japan is considering a contribution of US\$1.2 million to the Henry Dunant Centre for the expense of the Joint Security Committee. Japan is also willing to assist humanitarian efforts by providing financial assistance to relevant UN agencies.

United Nations

The primary interest of the United Nations is to provide humanitarian assistance to those who need it, such as the more than 100,000 internally displaced persons. In 2001, the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) established the United Nations Resource Center (UNRC) in Banda Aceh to facilitate the coordination of humanitarian activities among UN agencies, NGOs and the local government. Its main objectives are the collection and sharing of information on humanitarian needs, the creation of a forum where international and national organizations can meet to discuss issues of common concern, and the enhancement of cooperation with the local government.

However, the UN agencies have had difficulties in effectively providing humanitarian assistance in Aceh. The UN agencies do not have sufficient financial resources to implement their humanitarian activities. The security of humanitarian workers is also a great concern. During the

conflict, both Indonesian Government forces and the Free Aceh Movement often attacked humanitarian workers.

Thus, the UN wants to generate financial contributions from interested donor countries such as Japan and the United States. The UN also wants to witness the successful implementation of the ceasefire by the Indonesian Government and the Free Aceh Movement. Furthermore, the UN requires some form of guarantee of security and cooperation from the parties so that it can effectively provide humanitarian assistance in Aceh.

Henry Dunant Centre/Four Wise Men

The Henry Dunant Centre has played a significant role in the peace process, especially since it is the only international actor that has gained the trust of both the Indonesian Government and the Free Aceh Movement. Under the failed Cessation of Hostilities Agreement, The Henry Dunant Centre was a member of the tripartite Joint Security Committee, which was the organ responsible for implementing the terms of the agreement. The Centre was also responsible for providing the necessary funds, logistics and administrative facilities for the operation of the Joint Security Committee and monitoring teams. It served as a mediator and facilitator when problems arose between the Free Aceh Movement and the Indonesian Government during the peace process. Under the agreement, the Henry Dunant Centre had the authority to inspect the process of disarmament without prior notification to either party.

The primary interest of the Henry Dunant Centre is the successful implementation of the new ceasefire agreement and the renewal of peace negotiations. From the failure of the Humanitarian Pause, the Henry Dunant Centre has learned an important lesson that a wide range of international support is necessary to pressure the Indonesian Government and the Free Aceh Movement into following through with a peace agreement. The Henry Dunant Centre, as a small NGO, is also in need of financial and technical support from other interested parties in order to administer a peace agreement. Thus, the Henry Dunant Centre wants financial as well as technical support from Japan, the United States and the United Nations. Moreover, the Henry Dunant Centre wants the international community to monitor the situation and pressure the Indonesian Government and the Free Aceh Movement to honor the new ceasefire agreement.

Free Aceh Movement

The Free Aceh Movement is interested in inviting the assistance of the international community, because it wants to be internationally recognized as the “sole” legitimate actor to represent the Aceh community. The Free Aceh Movement also wants to analogize their situation to East Timor. It believes that the involvement of the international community will ultimately bring about Aceh’s independence through a referendum.

However, there is a conflict of interest between the Free Aceh Movement and the international community. The Free Aceh Movement’s agenda narrowly focuses on the issue of independence while it wants to avoid dealing with accountability issues. This is not acceptable for many international organizations and NGOs.

Indonesian Government

The Indonesian Government is wary of having the international community involved in the Aceh peace process because of their experiences in East Timor. In the case of East Timor, the Indonesian Government allowed the United Nations to be actively involved in the peace process, but this ultimately brought about the independence of East Timor after a referendum. As a result, the Indonesian Government rejects the idea of a referendum as well as any form of formal international involvement (particularly the United Nations). The Indonesia Government, however, has accepted the “soft” involvement of the international community, as in the case of the Henry Dunant Centre.

It should be noted that based on the Indonesian Government’s experience in East Timor, Indonesia has expressed the opinion that the international community committed “assaults” on its sovereignty by demanding accountability for human rights abuses, which they consider an internal issue of Indonesia. On the other hand, President Megawati Sukarnoputri is well aware of the need to promote the rule of law, security and accountability in Aceh in order to restore investor confidence and to obtain financial aid from international financial institutions and Western donors. The international support is necessary to curtail the expansion of sovereign debt in Indonesia.

I. Security

Generally, a post-conflict security process involves three stages—decommissioning, demobilization and policing. The new ceasefire agreement only deals with the first stage, decommissioning. As such the other two stages will need to be discussed in the peace negotiations. These stages normally follow as a sequence of three events along a time-line, although in rare instances they can occur simultaneously. Decommissioning is the removal of weapons from armed forces and the withdrawal of armed forces from active service in the war. Demobilization is the disbanding of troops and armies, discharging them from military service and reintegrating them to civilian life. Together, decommissioning and demobilization are necessary to create stability, security and trust in a post-conflict society. Finally, policing is the establishment of a civilian police force to maintain the peace and prevent further armed conflict. The parties must establish firm guidelines for demobilization of the armed forces. Additionally, a civilian police force will need to be established to secure peace and prevent further tension. Economic incentives for disarmament will facilitate the security process and contribute to the reconstruction of war-torn Aceh.

Main Objectives

The United States wants to make sure that the Muslim separatist movements such as the Free Aceh Movement are contained. The United States emphasizes the decommissioning and demobilization of the Free Aceh Movement. Moreover, the United States supports the presence of a police force that would prevent further uprisings of the Free Aceh Movement in Aceh. A strong police presence is also necessary for ExxonMobil to resume its operations. The United States may want to assist in the training of new security forces.

- Assist the Free Aceh Movement in disarmament of their weapons through the reimplementation of the new ceasefire agreement.
- Assist the demobilization of the former Free Aceh Movement into civilian life. Currently, many people in Aceh are suffering from extreme poverty. Thus, it will be necessary to place a significant emphasis on creating economic and social opportunities for demobilized fighters so that they can resume their lives as civilians. Also, initiatives for education and training, funded by international donors, could be used as rewards to factions that actively participate in decommissioning.
- Assist the establishment of new security forces in Aceh with an emphasis on the containment of Muslim separatist activities.
- Establish a stronger defense relationship with the Indonesian Government in order to contain further threats against the Indonesian Government through the uprising of separatist groups in various areas of Indonesia.

II. Democratization

Indonesia is in the process of strengthening its democratic structure. True separation of powers does not exist and there is widespread corruption in the government and judiciary. Although President Megawati Sukarnoputri still holds control over the military and most branches of the government, she is interested in the solidifying the democratization process throughout the entire country including Aceh.

In working toward achieving a democratic government in Aceh and toward a transparent and open election in the region, the international community should consider its role in the following matters; (1) interim authority/government in Aceh until an election can be held; (2) transformation of the Free Aceh Movement into a viable political party; (3) election monitoring.

Main Objectives

The United States will support the establishment of a transitional/interim government in Aceh. The interim government should run a skeleton operation, allowing time for the formation of viable political parties and gubernatorial candidates, as well as candidates for the legislature and other governing bodies. However, the United States is reluctant to accept the transition of the Free Aceh Movement from a military group to a political party. The United States believes that it is the best interest of the US that the former members of the Free Aceh Movement do not have a chance to control the politics of the province and hold a referendum on independence. The United States will also support an extensive international involvement in establishing and maintaining the interim government, with the United Nations as the lead actor. The United States also believes that the United Nations should be involved in the next local election as an election monitor.

- Establish a transitional interim government in Aceh. The interim government should run a skeleton operation, allowing time for the formation of viable political parties and gubernatorial candidates, as well as candidates for the legislature and other governing bodies.
- Seek the transformation of the Free Aceh Movement from a military group to a legitimate political party.

- Seek extensive international involvement in establishing and maintaining the interim government, with the United Nations as the lead actor.
- Advocate for election monitoring to certify that any future election process remains transparent.

III. Economic Issues

Even though it is one of the richest provinces in natural resources, Aceh is one of the poorest and most underdeveloped regions in Indonesia. The Indonesian government in cooperation with foreign investors exploits Aceh's natural resources. In particular, Mobil Oil Indonesia, a joint venture originally formed between Mobil Oil, Inc. and Pertamina, the Indonesian national oil-company, carries out exploration and exploitation of gas and oil in Lhkseumawe, North Aceh. This gas and oil is channeled for production to the PT Arun field facility, which is owned by Pertamina. Mobil Oil Indonesia operates the facility and also owns a small stake in it.

While the oil field has provided a vital source of revenue for Jakarta, Aceh has received a fraction of the revenue. This has stimulated dissatisfaction among the local community. The Indonesian Government controls the net profit Aceh receives from its natural resources, which is small in proportion to what the central government keeps. Approximately 30% of the net revenue of the oil resources in the province is allotted to Aceh. In 1998, the central government collected more than 32 trillion Rupiah and gave only 290 billion to Aceh. The Indonesian Government offered Aceh 70% of the revenue from the oil and natural gas extracted from the province in the Special Autonomy Package, which was never implemented. It should be noted that ExxonMobil has a vested interest in remaining in Aceh, as the natural gas division brings in more than a quarter of the company's profits.

The Acehnese themselves live in poverty, exacerbated by the violence and fighting. Another complication is that the military provides security for the ExxonMobil plant. In March 2001, the PT Arun plant suspended its operation under intensifying armed conflicts. About four months later, when the PT Arun facility resumed operation, more than 2,000 military personnel were deployed to protect the Arun plant.

Under these conditions, both the parties to the conflict have a strong interest to gain control over the Aceh oil field. On the other hand, the home states of foreign investors want to assure the safety of their nationals.

Another area of economic concern is the distribution of aid provided by the international community. Currently, international aid is distributed through the Indonesian Government. It is not uncommon for these funds to be redirected away from Aceh into the hands of corrupt officials. The Free Aceh Movement will insist upon retaining the ability to directly receive international aid and assistance.

The post-conflict reconstruction of Aceh is necessary and will require international financial assistance. As Chair of the Consultative Group for Indonesia, the World Bank has played a leading role in actively reconstructing the Indonesian economy and promoting governance reforms. In addition to the Consultative Group, the World Bank works closely with International

Monetary Fund (IMF) and Asian Development Bank in providing financial assistance for Indonesia. The World Bank maintains a strong presence in Jakarta with a variety of Bank-funded projects.

In January of 2003, a group of representatives from the World Bank, the United States, Japan, and the European Union visited Aceh and expressed their continuous support for the peace reconstruction process in Aceh. The World Bank has pledged US\$ 8 million to a community assistance program in Aceh

In addition to multilateral aids, bilateral aids are also important sources of funding for the economic development of Indonesia. In particular, the United States puts priority on Aceh in its bilateral aid programs for Indonesia on a wide range of issues including, humanitarian assistance, civil-military conflict analysis, and facilitation of peace talks in Aceh. Currently the largest donor to the Indonesia Government is Japan, as such they will also have a critical role in providing funding and coordinating the effort of international donors in the post-war reconstruction of Aceh.

Main Objectives

The United States has a strong interest in protecting ExxonMobil, which is the largest investor in Aceh. Moreover, the United States recognizes the increasing importance of securing sources of oil and gas in Aceh especially because situations in the Middle East are fragile. The United States will insist on maintaining the current status quo in the business arrangement of ExxonMobil's joint venture with the Indonesian state owned company, Pertamina.

- Resume operation of ExxonMobil as soon as possible.
- Maintain the status quo in the business arrangement of ExxonMobil's joint venture in the operation of the PT Arun plant.
- Require the Free Aceh Movement or the Indonesian Government provide security assistance to the ExxonMobil facility. However, by doing so, the US must be sensitive about the alleged human rights violations committed by the Indonesian Government forces against the Acehnese.
- Support greater control by the Acehnese over tax revenue from the ExxonMobil plant, provided that the revenue will be used to promote a "favorable business climate," namely the rule of law, transparency, and promotion of market economy in Aceh.

IV. Humanitarian and Human Rights Issues

Humanitarian and human rights issues are not discussed in the new ceasefire agreement. However, the 27 year-old conflict has created many internally displaced persons, and the ethnic tension between the Acehnese and the Javanese has been expressed in various forms of human rights violations.

Internally Displaced Persons

One of the pressing humanitarian issues is the handling of internally displaced persons. More than 1.3 million people are internally displaced in Indonesia. According to the Indonesian

Government, the conflict in Aceh alone displaced more than 100,000 people. Generally speaking, most displaced ethnic Acehnese tend to remain in Aceh, while Javanese and other non-Acehnese tend to leave Aceh for neighboring provinces.

The Free Aceh Movement publicly adopted a policy to remove ethnic Javanese from Aceh, suspecting that Javanese were spies for the Indonesian military. The Free Aceh Movement used various methods to expel Javanese from Aceh including arson, intimidation and abduction. At the same time, the Indonesian military and police continued to commit various human rights abuses against Acehnese civilians, forcing many Acehnese to leave their homes.

According to the World Food Programme, the internally displaced in Aceh were worse-off than those in other parts of Indonesia in terms of living conditions, food security, employment rates, dependency on day labor, level of poverty, access to potable water, access to education, emotional trauma and personal security.

Transmigration Policy and Ethnic Tension

Underlying the ethnic tension between the Javanese and the Acehnese is Jakarta's policy of Transmigration. In order to alleviate the densely populated island of Java, the Indonesia Government has been sponsoring those willing to move to less populated regions. The "transmigrants" are usually ethnic Javanese and some are Christian. The Indonesian Government used the transmigration program also as a political tool to suppress the separatist movement in Aceh by deliberately moving Javanese transmigrants into areas where armed separatists had strong support. This made transmigrants potential targets for attacks. Most Javanese transmigrants were brought to Aceh to set up food-crops sites and work on plantation and timber estates. At times, transmigrants have faced discrimination and violence, motivated not only by religion or ethnicity, but by the widespread feeling in Aceh that these Javanese are given the best land, often displacing native Acehnese.

Protection of Human Rights—Freedom of Expression

There have been reports of suppression of freedom of expression by both the Free Aceh Movement and the Indonesian Government forces. The Free Aceh Movement has restricted the speech of journalists who investigated human rights violations in Aceh and threatened their security. The Free Aceh Movement also prohibited journalists from publishing articles that are critical of the Free Aceh Movement on the front page of their publications.

On the other hand, the Indonesian Government has repeatedly made use of the so-called "spreading hatred" clauses of the Indonesian Criminal Code, which criminalize speech or publications that are deemed to incite or disseminate hatred or hostility against the government. The main target of the restriction of expression under this law are members of the Information Center for Referendum in Aceh (SIRA), a student-led organization advocating for independence of Aceh through a referendum. The Information Center for Referendum in Aceh is committed to peaceful means for achieving independence and is not institutionally connected to the Free Aceh Movement. Nevertheless, the Indonesian police arrested several of its members after a peaceful demonstration calling for the end of conflict and independence of Aceh. The police accused them of spreading lectures composed by the Free Aceh Movement.

During the current military campaign against the Free Aceh Movement, the Indonesian government has restricted the movement of journalists and thus, effectively barred independent coverage of the conflict.

Current Efforts in Humanitarian Assistance

The Indonesian Government recognizes the seriousness of the problem of internally displaced persons in the country. Thus far, a large percentage of the assistance to internally displaced persons is reported to come directly from the Indonesian Government's own resources. In September 2001, the Indonesian Government issued the "National Policies on the Handling of Internally Displaced Persons/Refugees in Indonesia." The policy of the Indonesian Government relegates the primary responsibility of handling of internally displaced persons to local governments, which are provided with assistance by the central government. A local government is the coordinating body, responsible for addressing the local needs and channeling inputs (such as food, non-food assistance/supplies, emergency shelter, water, sanitation, education) from various departments and ministries at the central level.

The international community has also provided humanitarian assistance to internally displaced persons in Aceh. Assistance provided by the international community for internally displaced persons includes emergency relief, food, shelter, health, peace and reconciliation efforts, education, and economic activities. Several humanitarian organizations are also engaged in capacity building of the local NGOs and communities.

The lack of safety for the humanitarian aid and human rights workers has prevented the successful distribution of humanitarian assistance to internally displaced persons. Both the Free Aceh Movement and the Indonesian Government forces are reported to have been involved in incidents of torture, disappearances and killings of NGO workers in Aceh. In addition, since the restart of hostilities in May of 2003, the activities of foreign humanitarian aid workers have been restricted and martial law administrators have taken charge of aid distribution.

Main Objectives

USAID and the Office of U.S. Foreign Disaster Assistance provided US\$ 178,300 for assistance in water/sanitation and nonfood items in Aceh. USAID's food assistance program also includes Aceh (as the situation permits). Furthermore, USAID, together with agencies in other major donor countries, support the World Food Program's Protracted Relief and Recovery Operation that provides food assistance to internally displaced persons. USAID maintains close coordination with the World Bank and the IMF and other donors to enhance the food security policy of the Indonesian Government. The United States supports the continuous and expanded role of the United Nations in humanitarian assistance. The United States asserts that the Indonesian Government should halt the transmigration policy and promote the right to freedom of expression as a fundamental human right.

- Support an extended UN role in humanitarian assistance in Aceh.
- Require both the Indonesian Government and the Free Aceh Movement guarantee the unlimited access to areas in need of humanitarian assistance and the safety of humanitarian workers.
- Persuade the Indonesian Government to halt the transmigration policy.

- Promote the right to freedom of expression as a fundamental human right.

V. Final Status of Aceh

The final status of Aceh remains an open issue. While the Indonesian Government will allow local elections in Aceh, they expect it to remain part of the republic. The Free Aceh Movement, however, has not given up their fight for the independence of Aceh. At the same time though, the Free Aceh Movement wants to participate in any election that will take place in the province. Although Acehnese may select the governor, district representatives and mayors in a local election, the Free Aceh Movement may not be able to participate, since the Indonesian constitution allows only well-financed and Jakarta-based political parties to contest in Indonesian elections.

The international community is generally interested in maintaining the territorial integrity of the region. Thus the international community is reluctant to accept the independence of Aceh. However, the international community continues to support heightened autonomy for Aceh either through the existing arrangement under the Special Autonomy Act or through a different arrangement.

Main Objectives

The United States supports maintaining the territorial integrity of Indonesia, while at the same time providing heightened political, economic, and religious autonomy in Aceh.

- Support territorial integrity of the region. Thus, the US rejects the idea of independence of Aceh as a sovereign state at least until a fully democratic and US friendly government is established in the province.
- Support heightened autonomy in Aceh. Consider what level of autonomy in Aceh best serves the economic and political interest for the US. The US is willing to give political, judicial, cultural autonomy to the people in Aceh. However, the US does not want to see institutions in Aceh to be instilled with radical Muslim ideas that some members of the Free Aceh Movement may have.

SIMULATION SCHEDULE

Note: All times to be strictly adhered to

- 9:00** Coffee and doughnuts available for participants
- 9:30-10:00** Introduction and review of simulation schedule and procedures
- 10:00-10:30** Individual team meetings to review positions
- 10:30-11:00** United Nations meets with the Indonesian Government
International Community meets with representatives from the Free Aceh Movement
- 11:00-11:45** Plenary: Affirm Henry Durant Center as the moderator, Switzerland as venue and set agenda.
1) Security
2) Democracy
3) Economic Issues
4) Humanitarian Issues and Internally Displaced Persons
- 11:45-12:00** Break
- 12:00-12:30** Individual team meetings to focus on substantive negotiating issues (Lunch will be provided during this meeting)
- 12:30-1:00** Small Group Meetings with representatives of each of the elite networks
Security- Japan, United Nations and Four Wise Men/HDC
Democracy – United States and Four Wise Men/HDC
Economic Issues – United States, Japan and United Nations
Internally Displaced Persons –Japan, United Nations and Four Wise Men/HDC
- 1:00-2:00** Plenary Session
- 2:00-2:30** Final Status
- 2:30-3:00** Review and Lessons Learned