

“...and then there were elections. Now what?”

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Mr. Hollenbeck, senior advisor to the Governor of Aceh, began his remarks by noting that he has been an advisor since August of 2005. He expressed regrets on behalf on Mr. William Ozkaptan, an advisor to the Aceh Joint Forum, for being unable to get to D.C. at this time to participate in the program.

Mr. Hollenbeck started with a recap of the Aceh elections based on the latest data from the Independent Elections Commission (KIP) and other sources. Aceh is the first and only province in which independent candidates can run for office and the first to introduce local political parties.

Observers agreed that the elections, held province-wide, were largely free and fair. Slightly more than 80% of registered voters cast ballots for governor /vice governor and an estimated 36.5% of them voted for Irwandi Yusuf and Mohammad Nazar. A second round will not be necessary. Irwandi-Nazar finished first in three of the four municipalities (they were fourth in Banda Aceh) and first in twelve of the fifteen districts (kabupatens); they were also second in three kabupatens. This is a convincing mandate.

Yusuf and. Nazar will be installed as Governor and Vice Governor of Aceh on 8 February 2007.

Secondly, Hollenbeck offered his expectations of the effects of an Irwandi-Nazar administration on the most important issues facing Aceh. He began with the Free Aceh Movement (GAM) re-integration process. During the campaign, Irwandi promised to make the integration of GAM members into Acehnese society his top priority. The government needs to address the reintegration of more than 3,000 ex-combatants, 6,200 GAM non-combatants, 2,000 amnestied prisoners, 2,700 ex-combatants who surrendered prior to the MoU, and 6,500 militia, as well as deal with the 63,000 conflict victims, the 2,000 handicapped, and rebuilding the 9,149 destroyed houses

There are, however, financial constraints: while almost USD 8 billion is committed to dealing with the aftermath of the tsunami, only USD 200 million is pledged for reintegration efforts. Recognizing the need, some donors are considering moving funds from reconstruction efforts to reintegration initiatives.

Now that the Aceh Monitoring Mission has left, Hollenbeck argued that some respected organization is needed to take over the role of monitoring the peace and implementation of the peace agreement. He also noted that the MoU called for the establishment of several bodies (for example, the Truth and Reconciliation Commission, a Human Rights Court, and the Joint Claims

Settlement Commission) and that these bodies had yet to be established. A monitoring body could, he believes, ensure that the MoU is followed.

Hollenbeck then turned to the future of the Aceh Peace Reintegration Agency (BRA). BRA, established more than a year ago, is trying, he said, but the organization needs technical assistance. The initial idea was that BRA would manage reintegration, while BRR (The Rehabilitation and Reconstruction Agency) would handle rehabilitation and reconstruction.

BRA's first efforts were driven by the need to disburse funds quickly as funds not disbursed have to be returned to Jakarta. In the main, BRA is funded by Indonesia's Planning and Development Agency (BAPPENAS). By the time this funding authorization is scheduled to end at the end of 2007, BAPPENAS will have provided approximately 1.5 trillion Rupiah (more than USD165 million). The World Bank and the European Union (EU) also provide direct assistance. USAID provides support for the Joint Forum—as does the EU. Hollenbeck was certain that the new governor would ensure that there was an institutional mechanism in place to monitor the activities funded through and implemented by BRA.

Hollenbeck said that BRR has accomplished a great deal, but much remains to be done. During the campaign, Irwandi pledged to expedite post-tsunami reconstruction and, as governor, he will sit as the vice chair of BRR. Hollenbeck believes that Irwandi will be an active participant and probably institute closer scrutiny of BRR processes to accelerate the reconstruction process. He may also try to direct funds to larger infrastructure projects.

Next, he addressed the relationship between provincial and district governments. Confirmed election results show that independents won five districts and two cities; they are in runoffs in three more districts. This will mean that members of the traditional Indonesian parties and the new independents (primarily ex-GAM) will need to work together to bring effective government to the people of Aceh. In addition, the new governor will need to forge ties with leaders of the traditional parties to ensure that his policies are carried out.

After years of conflict, the people of Aceh voted and they voted for change. Irwandi promised to make Aceh a modern, better educated region with a government that delivers improvements in education, health, and economic conditions. He also promised to put an end to the culture of corruption that troubles much of Indonesia's government. By 2015, Irwandi said, Aceh should achieve a level of prosperity spread throughout the province with a civil service serving the public. World Bank data (2004) show that Aceh is the fourth poorest of Indonesia's 33 provinces.

Hollenbeck believes that financial management issues are the most challenging of all issues facing the new administration. Beginning in 2008, the Government of Aceh will receive a substantial inflow of new funds and—for the first time—be responsible for allocating and managing those funds. These funds will include locally owned revenues and income, equalization funds, and royalties from natural resource development (80% of the total royalties from mining, forestry, fisheries & geothermal energy, 15% from oil, and 30% from gas).

In addition, every mining operator working in Aceh must prepare a community development fund in an amount of no less than 1% of the total production value sold each year. These community development funds, managed by the operator, will support programs developed with the communities surrounding the business site and in other locations. (This is modeled on a similar fund created by Freeport in 1996 in Papua.) In this context, there have been contacts between Papuan officials and politicians and the Acehnese regarding implementation of special autonomy, trading implementation ideas back and forth.

Hollenbeck closed with predictions. First, financial management issues will be crucial to the success of local administrations. Acehnese want to see the end of corruption and will not reelect those who are not seen as fighting corrupt practices. Fighting corruption may be coupled with civil service schemes designed to reward good (and honest) performance with higher pay. Second, he expects to see tsunami rehabilitation programs merge with GAM reintegration programs to create comprehensive development of the entire Province of Aceh. Irwandi has placed strong emphasis on the modernization of education, having called for free education (no school fees) during the campaign.

As Aceh recovers, Hollenbeck predicts new efforts to attract foreign investors—perhaps starting with infrastructure and other labor intensive projects such as the plantation sector.

But the challenges remain. Governor Elect Irwandi will have to create good ties with the central government, manage the expectations of the electorate, and satisfy ex-GAM members. Hollenbeck is optimistic that Irwandi will succeed.

Q: Who is in Irwandi’s kitchen cabinet?

A: I’m not sure. He has invited many people—environmentalists, ex-GAM cadres, and civil servants for pre-inaugural discussions. He may rely on advisors from Syiah Kuala University (he went to Oregon State University with the rector).

Q: Why has BRR disbursed funds so slowly?

A: They have been afraid to spend because they are afraid of being charged with corruption. For example, they have required approvals at the highest levels for what should be routine expenses.

Q: What is the state of GAM (has it split)?

A: The split still exists, but it is not as wide as it was during the election. The older GAM members realize that the younger members won the election. If he moves deftly, he could create a unified political movement based on GAM, looking forward to the 2009 parliamentary elections. At the same time, Irwandi is not likely to drop his dissatisfaction with some aspects of the LOGA that he voiced during the campaign and this may be troubling to some in Jakarta.

Q: Will Irwandi become a politician, using patronage to secure his position?

A: I don’t know. There will be rich opportunities for patronage. I was told that Nazar will focus on domestic conditions in Aceh and that Irwandi would focus on issues with Jakarta. One challenge will be to bring the newly elected leaders on the kabupaten level together and to form a cohesive province-wide administration.

Q: What about civil servant salaries? Can he set a living wage?

A: There will be some procedures for pay for performance. Some schemes have almost tripled some senior civil servant salaries. But there are also the issues with ex-GAM and they must be dealt with very quickly. Of the proposals ex-GAM members have submitted, most are for starting a business.

Q: How much internet access do Acehnese have?

A: It is slowly becoming better, but computer literacy is not yet the standard in government offices. However, Acehnese make full use of text messaging on their cell phones. For example, the vote counts in the recent elections were all transmitted via text messages. (Note: There are also constraints to extensive internet usage, notable inadequate satellite capacity and coverage in the outer islands and bandwidth affordability.)

Q: When will human rights courts be established?

A: Right now, there is no organization to monitor implementation of the MoU. So, no one has set some of the things up yet, but they will happen. I don't know how long it will take, but it will happen.

Q: What percentage of women voted?

A: We don't have the data yet. Of the 260 candidates, six were women. The Vice-Mayor of Banda Aceh is a woman. Irwandi may examine the role of women in Aceh. In this regard, Irwandi has voiced reservations about the implication of Islamic law (*syariah*) that has impacted on women and, many believe, the poorer levels of society.

Q: Now that there is peace, is there migration back into Aceh? Has the TNI (Indonesian military) left?

A: Some people are moving back to the highlands, but I haven't heard that the people living in Malaysia or North Sumatra are moving back. Regarding the TNI, additional police were brought in for the election but I don't know if they have departed.

Q: Is an agricultural based economy feasible for Aceh?

A: I'm not sure: estate crops (oil palm, coffee, and rubber), fisheries and forestry, would put people back to work. With better conservation, improved methods of cultivation could also be more friendly to the environment.