

## Japan

On October 26 Japan announced that it too would lift sanctions against India and Pakistan imposed after the 1998 nuclear tests, citing both countries' "efforts to contribute to strengthening the international coalition against terrorism" and increased instability in the region as a result of U.S.-led military strikes in Afghanistan.

## World Bank

India continued to be the World Bank's largest borrower. In June 2001 the World Bank sanctioned four loans and credits to the government of India totaling U.S. \$913.8 million, for a total lending of U.S. \$2.5 billion for the fiscal year (FY) 2001.

The U.S. Foreign Aid Bill for the FY 2002 instructed the United States executive director at the World Bank to vote against any water or sewage project in India that did not prohibit the use of scavenger labor. Though prohibited by law, the government of India employs a majority of the country's estimated one million Dalit manual scavengers for the cleaning of non-flush public latrines.

In an August meeting in Delhi, Indian groups joined trade union leaders from Pakistan, Bangladesh, Sri Lanka, and Nepal to formulate a regional stance against IMF and World Bank policies that reduce jobs and increase layoffs. Over 160 delegates took part in the four-day seminar that also focused on the impact of the World Trade Organization on the developing world.

## Relevant Human Rights Watch Reports:

*Caste Discrimination: A Global Concern*, 8/01

## INDONESIA

**I**ndonesia had another turbulent year, marked by a power struggle in Jakarta and an escalation in regional conflicts. The war in Aceh and an outbreak of communal violence in West Kalimantan produced the most civilian casualties, but conflicts in the Moluccas, Central Sulawesi, and Papua continued to simmer. By October, the number of displaced persons remained well over one million, half of them from the Moluccas.

The government made no serious efforts to address past or current abuses, new human rights legislation notwithstanding. The number of political prisoners rose steadily during the year, with many peaceful political activists charged with "spreading hatred toward the government," an offense associated with the government of former president Soeharto. The justice system remained a shambles.

Defending human rights remained a dangerous occupation, particularly in Aceh, where at least seven rights workers were killed.

Indonesia's bilateral donors showed concern over the regional conflicts, but their main focus was the long drawn-out struggle in Jakarta between the parliament and President Abdurrahman Wahid. That conflict ended peacefully in late July with Wahid's impeachment and the accession to the presidency of Megawati Sukarnoputri. A combination of relief over the transition, delight over some key cabinet appointees, and strategic and economic interests led many donors to rush to support the new administration.

In late 2001, widespread protests in Indonesian cities against the U.S. bombing of Afghanistan, accompanied by some intimidation of Westerners, underscored the difficulties President Megawati faced in balancing domestic political constituencies with external pressures.

### **HUMAN RIGHTS DEVELOPMENTS**

The power struggle between President Abdurrahman Wahid and the Indonesian parliament consumed so much energy of the political elite that all of the country's major problems were left to fester. The Indonesian parliament, following decidedly unclear constitutional guidelines, formally censured Wahid on February 1 and again on April 30 over two financial scandals. At the end of May, the attorney-general ruled there was no evidence of presidential involvement in the scandals, but the parliament continued the de facto impeachment process on grounds of presidential incompetence. On July 23, the People's Consultative Assembly, Indonesia's highest legislative body, ignored a decree from Wahid disbanding parliament and convened a special session during which those present voted unanimously to remove Wahid and replace him with Megawati.

Megawati's first cabinet had some strengths, but her choice of attorney-general was poor. The new minister, M.A. Rahman, was a career prosecutor known for obstructing human rights cases, particularly with regard to East Timor.

The appointment continued a pattern of one step forward, two steps back that marked successive governments' approach to accountability. In November 2000, the parliament passed Law No. 26 setting up new courts to try cases of serious human rights violations. For the first time, crimes against humanity, war crimes, and other crimes of a "widespread or systematic" nature were incorporated into Indonesian law. The law established new courts to try such cases prospectively and provided for the establishment of "ad hoc" courts to prosecute serious human rights abuses that had occurred before the law took effect, including the 1999 East Timor cases.

But President Wahid's attorney-general, Marzuki Darusman, dithered and by the time the Wahid government fell, had failed to set up the courts or proceed with a single prosecution. His accomplice in procrastination was M.A. Rahman, appointed by Megawati to succeed him. As of October 2001, prosecutors for the new courts had been named, as had some but not all of the judges. Indictments were promised for December.

Other problems with accountability surfaced. The Indonesian National Human Rights Commission, known as Komnas-HAM, had been one of the most courageous defenders of human rights during the late Soeharto years. Ironically, it began to lose its critical edge under the democratically-elected Abdurrahman Wahid. Law No. 26 gave Komnas-HAM, rather than the police, responsibility for initial investigations into cases of serious human rights violations, but leading obstructionists within Komnas-HAM itself increasingly blocked action on key cases. A bill in the parliament to set up a national truth and reconciliation commission along the lines of the South African model remained undiscussed as of late 2001. With no interest in prosecutions on the part of the president, the attorney general, or the minister of justice, let alone the military, prospects for accountability looked bleaker than ever.

### **Aceh**

The situation in Aceh deteriorated sharply during the year, and a six-hour visit in September by Megawati to the area made little difference. The 2001 death toll had topped 1,300 by September, and while most of the deaths were civilians killed in the course of military operations, the rebel Free Aceh Movement (Gerakan Aceh Merdeka or GAM) was also responsible for serious abuses.

In early November 2000, Indonesian security forces tried to prevent a rally organized by the Information Center for a Referendum on Aceh (Sentral Informasi Referendum Aceh or SIRA) in the provincial capital, Banda Aceh. They blocked people from reaching the city, including by shooting at sea and land transport; arrested and beat up members of the organizing committee; and raided offices of nongovernmental organizations (NGOs) in the lead-up to the rally. On November 20, the head of SIRA, Muhammad Nazar, was arrested on charges of “spreading hatred” for having hung banners in favor of a referendum and against the Indonesian military during a campus rally the previous August. He was convicted in March 2001 and sentenced to ten months in prison. With time served, he was released in October.

On December 6, 2000, four workers for an organization called Rehabilitation Action for Torture Victims of Aceh or RATA, were stopped outside Lhokseumawe, North Aceh, and abducted by a group of armed soldiers and civilians. Two men and a woman were executed; a fourth escaped and gave testimony identifying several of the killers. Later that month, four civilians and four military men were arrested. The civilians “escaped”—they were almost certainly let go with official connivance—from a police barracks in Medan, North Sumatra on March 22, 2001. One of them was back in Aceh in June, terrorizing local activists. The soldiers reportedly remained in the military police detention center in Medan as of October. Efforts by some within Komnas-HAM to have the RATA murders treated as serious enough to warrant prosecution by the new human rights courts were blocked by some of their own colleagues, and the prosecutor in Banda Aceh maintained in May that he lacked enough evidence to proceed with a trial.

On March 29, a human rights lawyer, Suprin Sulaiman, together with his client, Teungku Kamal, and a driver, Amiruddin, were shot dead shortly after leaving the

South Aceh district police station where Tgk. Kamal had been summoned as a suspect in criminal defamation of the police. In February, he had allegedly helped NGOs rescue five women that they believed were victims of sexual assault by the paramilitary police, Brimob. The women were brought to Banda Aceh where their case was widely covered by the local press. As they were returning home, the police took them into custody, whereupon they changed their stories, saying they had been forced by GAM to accuse the police. The police began targeting all NGO workers and journalists involved in the initial rescue and publicity efforts and formally named several as suspects. They did not proceed with any investigation into the deaths of the three men in South Aceh.

On April 11, President Wahid issued President Instruction (Inpres) No. 4, which effectively authorized increased police-military operations in Aceh. The instruction was issued following the closure of Exxon-Mobil gasfields in North Aceh because of security threats. The decree was roundly denounced in Aceh and the call for its revocation became a rallying cry for political activists province-wide.

Even before Inpres No.4 was issued, the security forces made a practice of retaliatory burnings of houses and shops to punish GAM attacks. On February 28, 2001, GAM took control briefly of the town of Idi Rayeuk in East Aceh. After military forces retook the town of 15,000, they burned it to the ground, causing massive displacement. Similar arson attacks took place throughout the year, despite the fact that on May 22, Brig. Gen. Zamroni, the commander of military operations in Aceh, formally forbade the practice.

In June, an eruption of violence in central Aceh led to hundreds of civilian deaths. It started with a GAM attack on the night of June 5-6 on Javanese settlers, killing more than forty. The next days and weeks saw a ferocious counterattack by the military working in collaboration with a local militia. By early July some 150 people had been confirmed dead by the Indonesian Red Cross and more than eight hundred houses had been burned to the ground.

On August 9, a massacre of thirty-one Acehnese workers took place on the Bumi Flora palm oil plantation in Julok, East Aceh. While both sides blamed each other for the killing, the evidence accumulated by late September suggested that Indonesian security forces were responsible and were intimidating potential witnesses. Reports by fact-finding teams sent by the district government and Komnas-HAM had not been made public by late 2001.

In addition to the killings noted above, several high-profile murders took place that remained unsolved by the end of November. On May 10, 2001, Major General (ret.) Haji Djohan, local leader of Golkar, the former ruling party, was gunned down outside his home in Banda Aceh. On September 1, Zaini Sulaiman, a member of the provincial parliament representing the United Development Party (known as PPP) was slain in front of his home by unidentified armed men. On September 6, Dayan Dawood, the rector of Banda Aceh's Syiah Kuala University, was killed as he was driving home from work in an official car. Neither side acknowledged responsibility for the killings.

Local parliamentarians faced threats from both sides. A legislator from East Aceh, Ghazali Usman, was abducted by GAM after having been named a member of the government fact-finding team looking into the Julok massacre. He had not

been released by early November. Schoolteachers were also targeted. The Indonesian teachers' association noted in September that 135 of its members had been victims of violence in Aceh over the previous two years. Dozens of elementary schools were burned down during the year.

Banda Aceh's main newspaper, *Serambi Indonesia*, was forced to close twice during the year because of GAM threats, once in June and once in August.

Efforts at dialogue proved fruitless. Negotiations between the Indonesian government and GAM, facilitated by the Geneva-based Centre for Humanitarian Dialogue, foundered on mutual lack of trust and effectively broke down in early July when, Indonesia unilaterally withdrew from a security monitoring team. Later that month, police in Banda Aceh arrested six GAM negotiators despite government guarantees of their security. Five of the negotiators were conditionally released on August 29 but the charges against them were not dropped; one continued to be held as of October on the grounds that he held a false passport. New talks were scheduled for early November, but GAM refused to participate unless the Indonesian government dropped its case against the negotiators.

President Megawati signed a law giving autonomy to Aceh on August 11 and made that implementation of that law the centerpiece of her Aceh policy. But the law, changing the name of the province to Nanggroe Aceh Daroessalam (NAD), did not appear to have widespread support, especially as there was little consultation in Aceh before it was passed.

## Papua

Conditions in Papua also continued to worsen. Although the Indonesian government made important political overtures, including a promise of substantial autonomy, to Papuan leaders in response to an all-Papua congress in June 2000, it also returned to a hardline approach.

In late 2000 and throughout 2001, Indonesian security forces intimidated and at times attacked civilians in areas where rebels of the Free Papua Movement (Organisasi Papua Merdeka or OPM) were believed to be active. They at times used indiscriminate or excessive force against pro-independence demonstrators: two Papuans were killed in Fakfak on December 1, 2000, eight in Merauke on December 2, and four in the highland town of Tiom on December 16, all during clashes between pro-independence demonstrators and security forces. Authorities also increased surveillance and harassment of prominent civil society leaders and banned peaceful pro-independence expression. Several activists were put on trial in Wamena, Jayapura, and Jakarta, many of them under the same "spreading hatred" laws used in Aceh.

One of the most highly publicized incidents took place in Abepura, near the provincial capital, on December 7, 2000. After two police officers and a security guard were killed in an early morning raid apparently carried out by pro-independence Papuan highlanders, police retaliated by rounding up scores of sleeping students (mostly highlanders) and other Papuans, beating and torturing many of them for much of the next thirty-six hours. One student was shot and killed, two more died as a result of beatings, and dozens sustained serious injuries. The case

became the subject of a high profile investigation that led investigators to issue a hard-hitting report naming twenty-six police officers as suspects, but no charges were filed and the future of the prosecution remained in doubt as of mid-November 2001.

The worst violence occurred in the Wasior area of Manokwari district, triggered by the murder on April 6 of three plantation workers. Plantation officials claimed the perpetrators were rebels. Security forces responded by launching violent "sweeps" or raids in nearby villages which, according to local rights monitors, left six civilians dead by mid-May. On June 13, five police officers and a logging company employee were killed in an attack police blamed on the rebels, prompting renewed sweeps. By mid-November, there had been dozens of new arrests, several reports of torture, and thousands of people in the region had fled their homes fearing retaliation. Local monitors in November also reported security crackdowns in Ilaga and near Timika following clashes between rebels and security forces.

The Indonesian parliament passed the Papuan autonomy bill on October 23, giving Papuans a greater say in provincial government and allowing provincial authorities to retain 80 percent of local forestry and fishery revenues and 70 percent of oil, gas, and mining revenues. Papuan political leaders, however, continued to demand independence. On November 10, Theys Eluay, a leading Papuan independence leader was abducted and killed outside Jayapura; his family blamed security forces, as international and domestic organizations called for an independent inquiry.

### **Central Kalimantan**

An eruption of violence in Central Kalimantan in February 2001 around the logging port of Sampit, Kotawaringin Timur district, led to indigenous Dayaks killing some five hundred immigrants from the island of Madura, off the coast of East Java, and displacing more than 150,000 people. Many of the killings involved decapitation, and little distinction was made between men, women, and children. The outbreak had complex roots but appeared to be linked to longstanding economic and social grievances of the Dayaks, competition over local resources, and new opportunities for political mobilization along ethnic lines. Muhamad Usop, a Dayak leader who sought the Central Kalimantan governorship, was arrested on May 4 and held briefly on incitement charges.

As elsewhere in Indonesia, police proved incapable of halting the violence, and the army was sent in, further poisoning relations between the police and army.

### **Maluku**

Christian-Muslim violence continued to erupt sporadically in the Moluccas. The government made no effort to remove Laskar Jihad, the Java-based Muslim militia that arrived in the province by the thousands in 2000. Its members continued to be responsible for human rights violations. In early 2001, evidence emerged of Laskar Jihad forcing several hundred Christians from Teor, Ceram and the island of Kesui to convert to Islam and circumcising men and women alike. On May 4, the

Wahid government finally took action against the head of Laskar Jihad, Jafar Umar Thalib, but not for any of his actions as commander of a private army. Instead, he was charged with murder for sentencing one of his followers to execution by stoning and having a crowd proceed to kill the confessed adulterer. The arrest appeared to prompt a new wave of violence that killed eighteen Christians by the end of May. On June 14, a botched raid by an army battalion on a Laskar Jihad post left twenty-two Muslims dead. On August 8, Megawati's vice-president, Hamzah Haz, made a point of meeting with Jafar Umar Thalib and Laskar Jihad members. While he urged them to abide by the constitution, the meeting gave the group new legitimacy.

In June, Alex Manuputty, the Christian militia leader and founder of the Front for Maluku Sovereignty, was arrested on charges of rebellion. He was sentenced to four months in November.

### **East and West Timor**

No one was brought to justice by November for the 1999 crimes in East Timor. Half-hearted efforts by the attorney general's office during the year to set up an ad hoc tribunal to try people originally named in September 2000 as suspected perpetrators of serious crimes came to nothing. The tribunal needed a recommendation from the parliament to the president and then a presidential instruction. When President Wahid finally issued the instruction in April, it only allowed for prosecution of crimes occurring after the August 30, 1999 referendum. After protests, the instruction was returned to the Ministry of Justice for rewriting. The reworded decree was issued in August by President Megawati in one of her first acts after taking office, but it remained flawed, as it only allowed for prosecution of two cases from before August 30, 1999, that the attorney general's office had deemed a priority. It thus weakened the possibility of examining the whole pattern of state policy that would be critical to establishing a crimes against humanity case.

In the meantime, the six alleged killers of the three United Nations High Commissioner for Refugees (UNHCR) workers, murdered in Atambua, West Timor, on September 6, 2000 were brought to trial in January 2001. On May 4, they were sentenced to prison terms ranging from ten to twenty months. They had only been accused of assault, apparently at the direction of the man who became Megawati's attorney general, M.A. Rahman, but even that charge could have resulted in a twelve-year sentence. The leniency of the sentences was widely condemned internationally.

Eurico Guterres, the East Timorese militia leader responsible for much of the 1999 violence in the city of Dili, was charged in relation to another incident in Atambua that took place on September 24, 2000 shortly after the UNHCR killings. Accused of incitement for resisting efforts of authorities to disarm the militias, he was sentenced to six months in prison by the North Jakarta district court on April 30, 2001, but, credited with time spent under house arrest, he served only twenty-three days before being released.

Little progress was made toward addressing the 1999 violence in East Timor. As of September, some 50,000 East Timorese remained in West Timor. A June 6, 2001

registration of that population conducted by the Indonesian government found that 98.2 percent wished to stay in Indonesia, but it was unclear to what extent the refugees had access to relevant information and felt able to answer freely. Only the views of “heads of households”—usually men—were surveyed. Many refugees were expected to return in the aftermath of the peaceful election in East Timor on August 30.

## **DEFENDING HUMAN RIGHTS**

At least seven human rights defenders were killed in Aceh between November 2000 and October 2001, including the three RATA workers mentioned above. Muhamad Efendi Malikon, thirty-five, secretary of a human rights organization called Care Forum for Human Rights—East Aceh (Forum Peduli HAM-Aceh Timur) was killed on February 28 in Peukan Langsa village, Langsa Timur subdistrict, East Aceh. His body was found shortly after the vehicle in which he was riding was stopped at a checkpoint by the paramilitary police, Brimob. At the time, he was carrying a substantial amount of money to turn over to widows whose husbands had been the victims of human rights violations in 1991.

Suprin Sulaiman, a lawyer with Koalisi-HAM in South Aceh, was killed on March 29 after accompanying his client to an interrogation session by police. (See above.)

Yusuf Usman, another member of Forum-Peduli HAM-Aceh Timur, was killed on September 8. Jafar Syehdo, fifty-seven, a volunteer with the Indonesian Red Cross (Palang Merah Indonesia, PMI) was found shot to death on October 3 in Bireun. The PMI is the only humanitarian organization with a province-wide field operation; among its tasks is the recovery of bodies of victims of the conflict.

No progress was made in the investigation of the death of Jafar Siddiq Hamzah, human rights lawyer and founder of the International Forum on Aceh, whose stabbed body was found north of Medan, North Sumatra in September 2000.

Acehnese human rights monitors trying to investigate abuses were routinely hampered by the security forces, sometimes through short-term detention.

## **THE ROLE OF THE INTERNATIONAL COMMUNITY**

International attention focused largely on the power struggle over the presidency, the economy, the transition to democracy, and regional conflicts. Donors continued to express frustration, often publicly, at Indonesia's failure to make headway in bringing human rights abusers to justice, particularly in relation to the 1999 violence in East Timor and the September 2000 killing of the three UNHCR workers.

The resumption of military aid to Indonesia was a major issue for many donors and their respective publics. In August, the *Jakarta Post* announced that the United Kingdom (U.K.) would resume arms sales to Indonesia, quoting U.K. Foreign Office Minister Ben Bradshaw as saying Britain had accepted Indonesian army

assurances that the arms would not be used for internal repression. The U.S. also decided to “re-engage” the army, without, however, resuming sales of lethal weapons.

### **United Nations**

The U.N. Security Council continued to be concerned about Indonesia’s failure to make any progress toward accountability for the 1999 violence in East Timor and the situation of East Timorese refugees in West Timor. In a visit to Jakarta in mid-November 2000, a Security Council delegation stressed the need for speedy resolution of the refugee problem and progress in bringing human rights abusers to trial. On May 4, Secretary-General Kofi Annan took the unusual step of issuing a statement expressing outrage at the light sentences handed down by a Jakarta court against the killers of the UNHCR workers.

The U.N.’s Office for the Coordination of Humanitarian Affairs (OCHA) continued to be active in Indonesia. On February 27, it sent two missions to Kalimantan to look into the impact of the Dayak-Madurese violence, particularly as it related to the internally displaced. In late August, OCHA opened a small office in Aceh to coordinate humanitarian aid, and it continued to be active in the Moluccas.

In late 2000, the United Nations Development Program launched a program called “Partnership for Governance Reform” through which it coordinated aid programs from several donors in efforts to strengthen democracy and civil society. Program areas included strengthening of parliamentary institutions; electoral reform; civil society participation; legal and judicial reform; anti-corruption efforts; decentralization and civil society reform; and police reform. The Asian Development Bank, World Bank, and several bilateral donors including the Netherlands and Nordic countries were among the initial donors.

On November 22, 2000, five U.N. human rights experts issued a joint statement of concern about the deteriorating situation in Aceh. Francis Deng, the U.N. special rapporteur for internally displaced persons, visited Indonesia during the last week in September.

Indonesia presented its first report to the Committee against Torture in November 2001; in doing so, it announced that it would ratify the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights by the end of the year.

### **European Union**

The E.U. continued actively to strengthen relations with Indonesia, while also exploring ways to resolve regional conflicts. On December 13, 2000, in response to a proposal from the European Commission to develop closer relations with Indonesia, the European Parliament expressed concern about factors undermining democratization in Indonesia, including lack of accountability for human rights abuses, the continued role of the armed forces in government, and the ongoing conflicts in the Moluccas, Aceh, and Papua. It supported further aid for Indonesia

as long as attempts were made to resolve those conflicts, human rights were substantially improved, and the corruption problem was addressed.

In May, the E.U. echoed Kofi Annan's protest over the light sentences given the six men found guilty of the deaths of the UNHCR workers. In a statement issued on May 10, the E.U. welcomed the Indonesian attorney-general's declared intent to appeal the sentences and pointedly recalled Indonesia's earlier commitment to the United Nations Commission on Human Rights that the trials of the suspects be conducted in conformity with international standards of justice and fairness."

The E.U. repeatedly called on Indonesia during the year to implement Security Council Resolution 1319 with regard to disarming the militias in West Timor and facilitating the return of East Timorese there.

### **United States**

Both Congress and the Clinton administration condemned the murders of the UNHCR workers in West Timor, and urged the indictment of senior military officials responsible for the violence in 1999. Accountability in general remained high on the agenda of the U.S. embassy in Jakarta.

The U.S. was actively engaged in supporting dialogue and strengthening civil society in Aceh. In March, the State Department denied reports in the Indonesian press that the U.S. was backing an Indonesian military offensive in order to secure the Exxon-Mobil gasfields, saying that it was instead urging restraint and a "comprehensive political solution." U.S. diplomats repeatedly reiterated their support for Indonesia's territorial integrity.

Megawati Sukarnoputri became the first head of state to visit the U.S. in the aftermath of the September 11 attacks in New York and Washington. Rather than cancel the long-planned visit, the Bush administration used it to secure Indonesia's cooperation in opposing global terrorism. The administration had earlier decided to expand contacts with the TNI, lifting some of the sanctions that had been in place since the East Timor violence in 1999, including a ban on non-lethal commercial arms sales, and used the visit to announce this. Restrictions on foreign military sales (FMS), U.S.-government financed arms sales, and international military education and training (IMET) programs remained in place in accordance with provisions of the so-called Leahy Amendment.

The U.S. also promised bilateral assistance for judicial reform and carried out some limited police training in areas such as crowd control and counternarcotics efforts. The U.S. Export-Import bank gave a U.S. \$3.2 million credit to Indonesia in May for police equipment for forensics work.

Indonesia's failure to curb threats against Americans by radical Islamic groups following September 11 led to U.S. protests that its citizens and interests were not being sufficiently protected.

### **Japan**

Japan quietly urged President Wahid to move forward with setting up the ad hoc

tribunal on East Timor. While not objecting to military operations in Aceh, Japanese officials urged both Indonesian security forces and GAM to exercise restraint. Japan continued to be Indonesia's largest donor. Its aid programs included some training in community-based policing.

President Megawati visited Japan in September and met with Prime Minister Junichiro Koizumi. The two leaders expressed opposition to terrorism. Megawati asked for Japanese aid and private investment; she also sought rescheduling of Indonesia's debt (more than \$2.7 billion) to Japan. Koizumi agreed to consider her requests in advance of the donor conference in November.

### **Australia**

Relations with Indonesia, seriously strained by Australia's role in the East Timor crisis in 1999, improved somewhat with the visit to Canberra by President Wahid in late June 2001—the first visit by an Indonesian president in twenty-six years. According to press reports, he assured Prime Minister John Howard that prosecutions would take place for serious crimes committed in East Timor in 1999.

Prime Minister Howard became the first head of state to visit President Megawati after her accession to the presidency in July. On his return to Australia, Howard declared that the two countries had put their differences over East Timor behind them.

Relations quickly became strained again in August, however, over the issue of asylum-seekers and undocumented migrants seeking to enter Australia from Indonesian waters. Indonesia is not a party to the 1951 Refugee Convention.

### **International Financial Institutions**

In February, the World Bank launched a new three-year country assistance strategy for Indonesia, criticizing the high level of debt and corruption. It announced that it would lend only \$492.7 million for fiscal year 2001, down from the average of \$1.3 billion annually from 1990-1997. The bank also urged adoption of an agreement with the International Monetary Fund (IMF) that would allow disbursement of a \$400 million loan held up since late 2000. The loan was eventually disbursed on September 10, 2001.

President Megawati met with World Bank President James Wolfensohn in September; he stressed the need for progress on legal and judicial reform before the bank could consider increasing its lending.

### **Relevant Human Rights Watch Reports:**

*The War in Aceh*, 8/01

*Violence and Political Impasse in Papua*, 7/01