

# Partnerships for Sustainability

Multi Donor Fund **Progress Report** December 2011



PHOTO: MOSISTA PAMBUDI/ANTARA  
NEWS AGENCY FOR MDF SECRETARIAT

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Multi Donor Fund Progress Report December 2011







Continued support and coordination is crucial as the MDF nears completion. Above, MDF Co-Chairs during a Steering Committee meeting in March 2011.

PHOTO: MDF SECRETARIAT

Message from the  
Co-Chairs of the MDF



**S**even years since the devastating tsunami and earthquakes of 2004 and 2005, the Multi Donor Fund (MDF) remains a committed partner in supporting the impressive recovery of Aceh and Nias. Through a wide range of partnerships with government, donors, communities and civil society, the MDF has effectively and efficiently responded to the reconstruction and recovery needs of Aceh and Nias. We are proud that this unique approach has earned the MDF worldwide recognition as a successful multi-stakeholders model for post-disaster recovery.

**The strong leadership of the Government of Indonesia and the provincial governments of Aceh and North Sumatera has been the cornerstone of our success.** Coordinated by the Government of Indonesia, initially through BRR and later by Bappenas, the MDF has helped to fill the gaps in reconstruction based on government's priorities. Throughout our mandate, we have addressed not only immediate and urgent housing and infrastructure needs, but also critical longer term needs of economic development and restoration of livelihoods impacted by disaster. Social and environmental concerns such as enhancing gender equity and improving environmental awareness and sensitivity to the post-conflict context are strategic features of the MDF that are rarely found in other interventions.

**Today we are pleased to report that the overall portfolio is achieving high quality results.** Positive impacts are becoming more evident as most projects near completion. Homes and schools are occupied; community organizations are active and interconnected; local institutions are stronger; and local governments are better equipped to manage the remaining reconstruction program and future development. Individuals, especially women, are now empowered to play a role in planning for future development in their communities. Mainstreaming disaster risk awareness has also increased the resilience and preparedness of communities in facing future disasters.

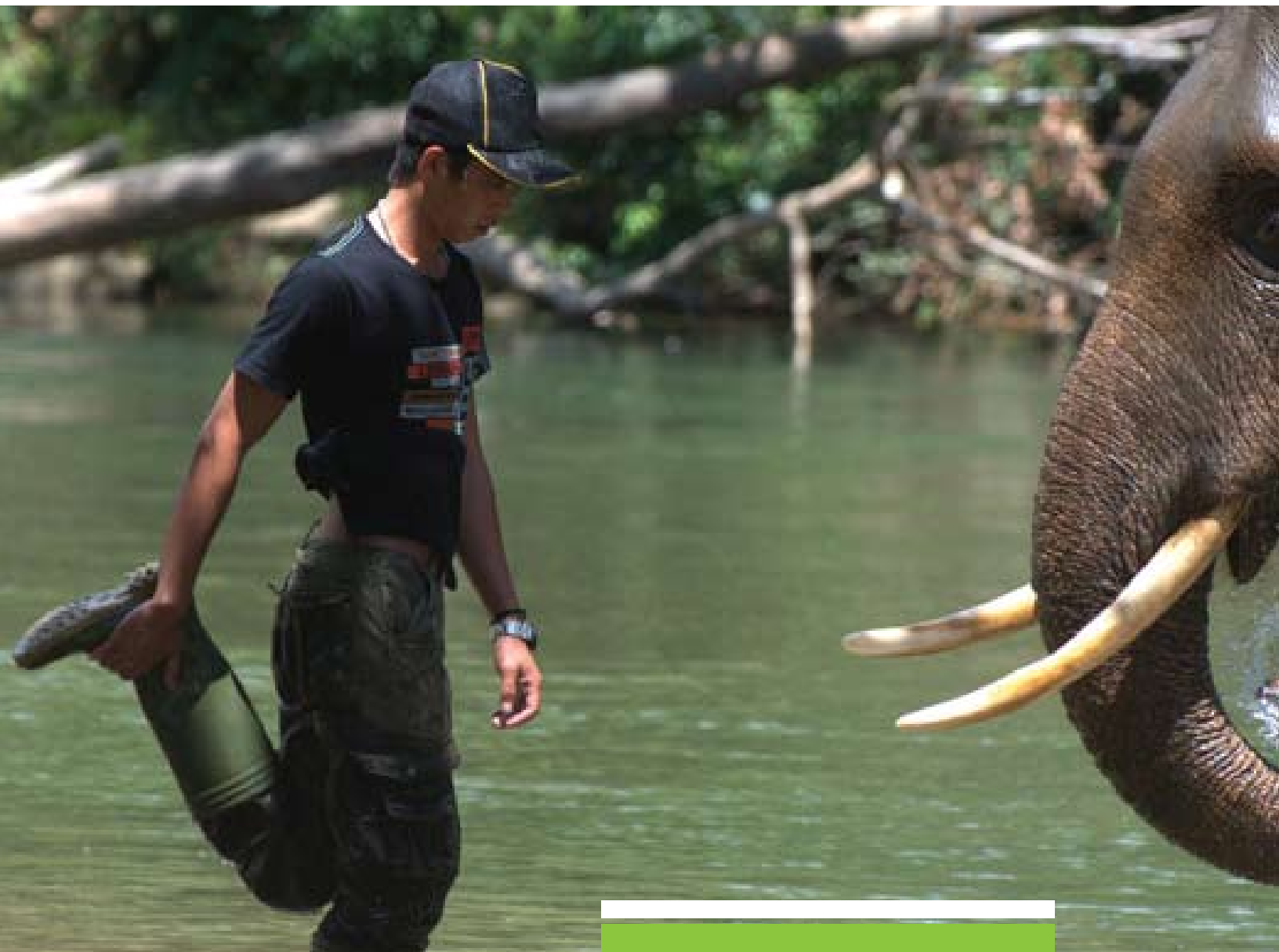
**The impact of our impressive contributions must be continued—sustainable results and sound exit strategies are now center stage as projects enter their last implementation phases.** We have put in place sustainable systems in governance, management, and service delivery in order to maintain the impacts of the MDF beyond its closure. We are pleased with the strong commitment of our stakeholders to work together to ensure successful implementation and achievements of the MDF; we are keen that this partnership remains strong as we enter our final year of mandate; and we are confident that stakeholders will continue to support this important agenda into the future.

*hp*  
**Armida S. Alisjahbana**  
Minister  
National Development Planning

**Irwandi Yusuf**  
Governor  
Province of Aceh

**Stefan Koeberle**  
Country Director  
World Bank

**Julian Wilson**  
Head of Delegation  
European Union



Komaruddin, an elephant *mahout* (handler) in Sampoiniet, Aceh Jaya district and his elephant Winggo are warming up as they prepare to patrol the forest. The AFEP is showing strong results in reducing human-wildlife conflict through the Community Rangers program.

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AGENCY FOR MDF SECRETARIAT

## Table of Contents

Message from the Co-Chairs of the MDF	iv
Table of Contents	vi
Executive Summary	viii
MDF Operations and Communications	1
Portfolio Progress and Performance	2
Finances	4
Outlook	4
<b>Chapter 1</b> MDF Operations and Communications	6
MDF Operations	7
Enhancing Stakeholder Engagements through Communications	9
📖 <i>Reclaiming Land, Reclaiming Livelihoods: TRWMP's Agricultural Land Clearance Project</i>	12
<b>Chapter 2</b> Portfolio Progress and Performance	14
Overview of the MDF Portfolio	15
Recovery of Communities	16
Reconstruction and Rehabilitation of Large Infrastructure and Transport	19
Strengthening Governance and Capacity Building	23
Enhancing the Recovery Process	25
Sustaining the Environment	27
Economic Development and Livelihoods	28
Challenges and Cross-Cutting Issues	30
📖 <i>"Before I carried a rifle; now I carry a hoe"</i>	32
<b>Chapter 3</b> Finances	34
Pledges	35
Cash Received	35
Allocations	35
Disbursements and Expenditures	37
Financial Outlook	38
📖 <i>Aceh Businesswomen Develop a Taste for Success</i>	40
<b>Chapter 4</b> Looking Ahead: Bringing the MDF to Completion	42
📖 <i>Aceh's Masters of Disaster Science</i>	48
Annexes/Project Portfolio	50
List of Acronyms and Abbreviations	75
Map of Aceh and Nias	78
📖 Feature Stories	





In this final phase, the MDF focuses on laying the foundation for sustainable economic growth through recovery of livelihoods. Above, a farmers group in Hiligodu village, Nias district proudly showcase the cocoa seedlings they received from the LEDP project.

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## Executive Summary





**T**he partnerships created by the MDF have played a key role in the strong performance of the MDF program and the robust results achieved. Pooling resources through the MDF has resulted in the harmonization of donor efforts and has provided an important platform for policy dialogue for many stakeholders. The MDF has filled gaps in reconstruction in line with government priorities, and has brought together key government players, donors, and members of civil society and communities. The MDF's strong support for coordination of the overall reconstruction has resulted in huge multiplier effects so that the MDF's impact has been able to exceed the value of its contributions.

**Strong partnerships have also contributed greatly to the success of the overall reconstruction of Aceh and Nias.** Today the reconstruction of Aceh and Nias is widely considered to be a success, attracting global attention for the remarkable results achieved. The Government of Indonesia

(GoI) in coordinating the support and efforts of all key stakeholders has demonstrated the importance of pursuing a joint agenda through joint implementation. Most external assistance for the reconstruction has ended, but the MDF's partnership with Aceh and Nias continues until December 2012, in line with its mandate, and in view of the longer-term nature of post-disaster reconstruction in a post-conflict context such as in Aceh.

*“Through strong partnerships, remarkable results have been achieved in recovering communities, reconstructing infrastructure, restoring services and rebuilding local institutions.”*

## MDF OPERATIONS AND COMMUNICATIONS

**The MDF has proven to be a highly effective model for successful post-disaster reconstruction.** With US\$655 million in contributions from its 15 donors making up nearly ten percent of the overall post-tsunami reconstruction funds, the MDF has provided wide-ranging and flexible support to the GoI in the reconstruction of Aceh and Nias. National and local governments identified priorities

and the MDF responded following a phased strategy that supported the overall reconstruction agenda through filling critical financing gaps. The MDF model channeled resources through different mechanisms and implementing agencies consisting of government, international agencies, and NGOs, allowing each to contribute to the reconstruction what they do best.

**The MDF promotes quality, transparency and accountability in its**

**program implementation.** The quality of the MDF portfolio is continuously enhanced through regular supervision by partner agencies and monitoring and evaluation activities carried out at all levels. Complaint handling mechanisms at project level and good communications with all stakeholders contribute to transparency and accountability, as does sound fiduciary management by the Trustee. The MDF's Secretariat reports to the Steering Committee (SC) on portfolio progress, results and challenges in order to provide the SC with the information

it needs to provide strategic guidance to shape the remaining reconstruction agenda.

## PORTFOLIO PROGRESS AND PERFORMANCE

**The MDF continues to perform well as the program enters its final year of implementation.** As most projects are entering their last year of implementation, emphasis is now on developing exit strategies, transferring reconstruction assets, promoting sustainability, and documenting lessons learned. Physical implementation is finishing up, and the last set of projects focus on capacity building, economic development and key infrastructure to support economic growth, in line with the MDF's phased strategy as prioritized by the government.

**As projects come to completion, the high quality of the portfolio and positive impact of the projects become even more evident.** Thousands of large and small infrastructure projects have been completed and are making a contribution to revitalizing the economy. Homes and schools are occupied; community organizations are active and interconnected; local institutions are stronger and more resilient and local governments are better equipped to manage the remaining reconstruction program and future development. The MDF has contributed to strengthening women's roles in reconstruction and future development through participation in community-driven development (CDD) projects,

providing paid work opportunities, increased land titling for women, and involving women in disaster prevention and preparedness. Livelihood opportunities for both men and women have been improved in agriculture and fisheries—key production sectors in Aceh and Nias—through the MDF's last set of projects. The community driven development approach demonstrated through the MDF has been replicated by local government in all villages across Aceh.

**Physical signs of the MDF's contributions are visible across Aceh and Nias.** Nearly 20,000 homes have been reconstructed or rehabilitated. Five critical ports were reconstructed with MDF

grant funds, and designs for the reconstruction of several others were prepared. Approximately 570 kilometers of national and provincial roads have been built, with an additional 87 kilometers of district roads, and more than 3,000 kilometers of village roads. Nearly 1,600 kilometers of irrigation and drainage channels have been constructed. Children

in Aceh and Nias now attend 670 schools reconstructed or rehabilitated by the MDF, and local governments and communities are using 511 local government offices or village/town halls that the MDF has built or rehabilitated. Water and sanitation improvements include nearly 8,000 wells or other sources of clean water and 1,220 sanitation units.

**Disaster risk reduction (DRR) and sustainable management of the environment are important principles that the MDF has worked to mainstream in the development agendas of Aceh and Nias.** Specific projects such as DRR-A, TRWMP and AFEP, have addressed DRR and

*“The benefits of the MDF's contributions in infrastructure and transport will continue long after the close of the program.”*



Along with GoI, the MDF is a major contributor to the reconstruction and rehabilitation of large infrastructure in Aceh and Nias such as the Kuala Bubon bridge in Aceh Barat district, expected to be completed in 2012.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS  
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environmental concerns directly. Other projects across the portfolio have also mainstreamed environmental sustainability and/or disaster risk reduction into their activities, leaving behind skills for building safer infrastructure and more resilient communities. Many activities initiated under the AFEP project, such as community forest monitoring, continue on in partnerships with local government, other donors, and communities.

**The MDF operates in a complex context which makes reconstruction extremely challenging.**

Aceh presents unique challenges as a post-disaster recovery situation embedded in a post-conflict environment. Local government and civil society capacity was low as a result of the years of conflict. Transport, infrastructure, the economy and social services had also been severely impacted. Layered on this context was the extreme loss of life, morale and capacity in the many communities that were destroyed by the earthquake and tsunami. The MDF has effectively incorporated this conflict sensitive approach into its post-disaster programming across Aceh. The islands of Nias have presented a different set of challenges due to their extreme remoteness, difficult access, weak local capacity and high levels of poverty.



The MDF uses a unique model of partnership for EDFF. Through IOM, one of the sub-project implementing entities under the EDFF, the project recently launched the country's first warehouse receipt system for coffee in Bener Meriah district, Aceh.

PHOTO: TARMIZY HARVA FOR MDF SECRETARIAT

## FINANCES

**The MDF has fully allocated available funds to its portfolio of 23 projects.** US\$645 million or 99 percent of contributions have been allocated as of September 30, 2011. Most of the allocated funds have been disbursed to projects and will be spent on project implementation during 2012. During 2011 some unused funds were returned to the MDF pool from projects that were closing, and these funds have been reprogrammed to existing projects. No further programming of returned funds will be feasible, however, given the limited time remaining for implementation of projects.

**Timely disbursement and spending will be important during the remainder of MDF program.** The MDF relies on strong intergovernmental coordination, aggressive implementation by line ministries and agencies, together with strong supervision by all partner agencies, to ensure timely disbursement and spending in order to meet project objectives by project closing dates. Some projects with physical infrastructure components may extend

the project closing dates until the MDF program ends in December 2012.

**Any unspent funds from projects will be returned to the MDF as projects close.**

Remaining unspent funds are currently expected to be US\$2.8 million at program end in December 2012. This is likely to increase with the return of some additional unspent funds as projects close. Unspent residual funds are expected to be returned to the donors.

## OUTLOOK

**The MDF's partnership with central, provincial and local governments to support the reconstruction agenda will continue until the end of its mandate in December 2012.** The last set of projects face tight timelines to complete project implementation by the MDF's closing date. These include the two important economic development and livelihoods projects, Aceh EDFF and Nias LEDP, and two infrastructure projects,



the Nias RACBP, and the road construction along the west coast of Aceh under IRFF. These projects cannot afford any further delays in implementation. The continued attention and coordination of all stakeholders is needed to ensure that these projects can implement activities and close by December 2012.

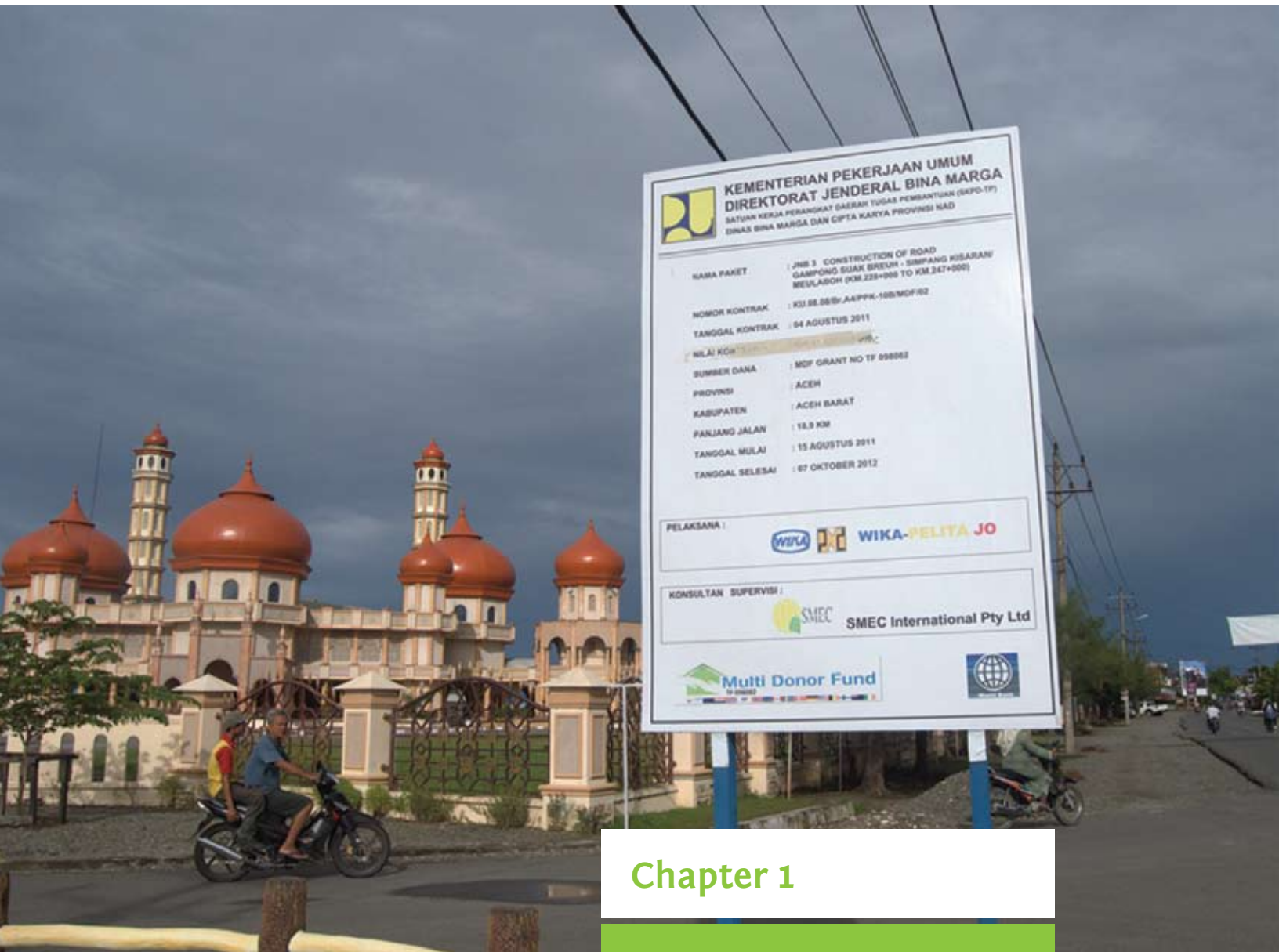
**Sustainability of MDF grants is an important concern for all stakeholders.** All MDF projects still in operation are focused on completing remaining activities and implementing sound exit strategies to ensure that the impacts of reconstruction continue to make a positive difference in the lives of the people of Aceh and Nias after the MDF closes. Completion of transfer of assets to local governments and beneficiaries will be critical as projects close, so that ownership of reconstruction is secured for the future.

**The successful models and approaches pioneered under the MDF can contribute to improved local capacities to respond to possible future disasters.** The Government of Indonesia has established the Indonesia Multi Donor Fund Facility for Disaster Recovery (IMDFF-DR) based on its experience with the MDF. The MDF leaves a lasting legacy of lessons learned that have already contributed to recovery and reconstruction efforts in post-disaster settings in Indonesia and around the world.



Children safely crossing the Sabang to Iboih Road outside the *puskesmas* (health clinic) in Sukakarya. Community welcome the new road and PDAM water system and say both have improved the quality of their lives.

PHOTO: TARMIZY HARVA FOR MDF SECRETARIAT



The MDF's final contributions in large infrastructure are underway. An additional grant of US\$37 million was allocated to build approximately 50 km of road along the west coast to connect Aceh Jaya with West Aceh districts. This road construction site is in Suak Breuh, Meulaboh.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS AGENCY FOR MDF SECRETARIAT

## Chapter 1

# MDF Operations and Communications



**T**he Multi Donor Fund (MDF), now entering its final year of operation, provides a model for successful post-disaster reconstruction based on partnerships between government, donors, and other stakeholders. Established in April 2005, the MDF pools US\$655 million in grant funds from 15 donors to support the implementation of the government's rehabilitation and reconstruction efforts after the December 2004 earthquake and tsunami, and the subsequent March 2005 earthquake. Grants funds are provided to projects which are implemented by government and non-government agencies and communities, and supported by partner agencies. The 15 donors contributing to the MDF are: the European Union, the Netherlands, the United Kingdom, the World Bank, Sweden, Denmark, Norway, Germany, Canada, the Asian Development Bank, the United States of America, Belgium, Finland, New Zealand and Ireland. The MDF remains committed to supporting the Government of Indonesia (GoI) in the continued reconstruction of Aceh and Nias.

The MDF is governed by a Steering Committee with representatives from the government, donors, trustee and civil society. At the request of the government, the World Bank was appointed as the Trustee of the MDF. The Steering Committee is co-chaired by the Indonesian Government (Bappenas), the Government of Aceh, the European Union as the largest donor and the World Bank as Trustee.

## MDF OPERATIONS

**Bappenas continues to lead the coordination of the reconstruction and rehabilitation activities.** Since 2009 when the *Badan Rekonstruksi dan Rehabilitasi Aceh - Nias* (Agency

for the Rehabilitation and Reconstruction of Aceh – Nias, or BRR) closed, the MDF has operated through the GoI's regular agencies and processes, and in close coordination with the provincial governments of Aceh and North Sumatra, guided by the Action Plan for the Continuation of the Reconstruction and Rehabilitation of Aceh and Nias 2010-2012.

**The MDF continues to work closely with Bappenas and the governments of Aceh and North Sumatra to ensure the delivery of high-quality projects.** Guided by the government's priorities, the overall goal of the MDF is to contribute efficiently and effectively to the reconstruction of a "better" Aceh and Nias by filling the gaps identified in the government strategy documents. All MDF grants to projects have been made based on the GoI's priorities, and with the endorsement of the GoI.

**MDF projects not only reconstruct housing and infrastructure and rehabilitate the economy in accordance with the strategy, but also address social and environmental concerns such as reducing poverty, improving livelihoods, enhancing gender equity and improving environmental awareness.** In addition, incorporating disaster risk reduction and a conflict-sensitive approach across the portfolio has been a priority concern of both government and donors. The MDF has played an important role in strengthening various levels of government, civil society organizations, and communities through capacity building components included in almost all projects.

**The MDF is performing well and the majority of the active projects in the portfolio are nearing completion.** Projects are going into their final phase with an added emphasis on developing exit strategies, transferring reconstruction assets, and promoting sustainability. Physical implementation is finishing up, and the last





Community members maintain a bridge in Nias Utara district. This bridge was built with local resources, from manpower to construction materials. The local resource-based (LRB) approach introduced by ILO, focuses on the cost-effective and durable improvement of rural transportation networks in Nias through the RACBP project.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS AGENCY FOR MDF SECRETARIAT

set of projects focus on capacity building, economic development and key infrastructure to support economic growth, as prioritized by the government.

**The MDF has fully committed available funds through grants to 23 approved projects.** Some unspent funds were returned to the MDF from projects which were closing during 2011. These returned funds were reprogrammed to active projects which identified additional needs and scaling up of activities that could be realistically completed within the remaining MDF timeframe. With less than one year remaining for projects to implement activities, the MDF's partners agreed that requests for allocations of additional financing received after October 2011 would not be considered.

**The quality of the MDF portfolio is continuously enhanced through regular monitoring and evaluation activities.** Partner Agencies continue to monitor project progress and quality through regular supervision missions, often with the participation of the MDF Secretariat and donors. Sustainability of MDF results is a key concern

for all stakeholders as reflected in the increasing emphasis on exit strategies. As projects near completion, exit strategies and arrangements for final monitoring and evaluation work are a priority concern. Plans are underway to ensure that the MDF's impact in the reconstruction of Aceh and Nias and important lessons learned are captured for stakeholders and for use in future post-disaster recovery programs.

**The MDF's partnership with central, provincial and local governments to support the reconstruction agenda in Aceh and Nias will continue until the MDF mandate comes to an end in December 2012.** The MDF donor community continues to maintain a keen interest in the operations of the MDF and Aceh's future growth and development. As the MDF moves into its final year, interest in the outcomes and lessons learned from the MDF is building. Opportunities for sharing these lessons with interested stakeholders and a wider audience are being planned for the final year of MDF implementation.



## ENHANCING STAKEHOLDER ENGAGEMENTS THROUGH COMMUNICATIONS

**Open and timely communications with stakeholders has been a major factor contributing to the success of the MDF.** The MDF has continuously engaged stakeholders through a range of effective communications and outreach activities since its inception. In the past year, as many projects entered their final phase of implementation, engagements have focused on communicating results, developing exit strategies and ensuring proper formal handovers of MDF assets, systems and capacities. These activities are conducted to ensure sustainability of impacts beyond MDF closure as well as providing valuable lessons for post-disaster recovery efforts both in Indonesia and the rest of the world. During this reporting period, the MDF and its projects have conducted over 200 outreach activities, ranging from organizing and taking part in workshops, seminars, and dialogue sessions, to developing and disseminating various communication products, such as books, brochures, and newsletters.

**The MDF has played a key role in bringing together stakeholders from various levels of government, donors, communities and civil society.** Through its outreach activities, the MDF and its projects created unique opportunities for discussions and collaborations. Notably this

year, the MDF Secretariat in Aceh initiated a seminar series through which key actors from MDF funded projects can share their experience, achievements and lessons learned. The seminars have focused particularly on prospects for sustainability and lessons learned in order to provide a forum for discussing opportunities and challenges related to sustainability of MDF project results. The series has had wide participation, leading to dialogue between local governments and communities to improve and reform local level services and programs.

*“Through strong partnerships, remarkable results have been achieved in recovering communities, reconstructing infrastructure, restoring services and rebuilding local institutions.”*

**The MDF’s public profile and visibility is increasing as it enters the last phase of implementation.**

Within the past year, project achievements have been showcased through a mini-expo held in conjunction with the launch of the MDF’s 2010 Progress report, taking part in the Europe House Open Days photo exhibition, and participating in the “Indonesia Days Exhibition” held at the World Bank Headquarters in Washington DC. On each of these occasions the

MDF successfully exhibited its results through compelling photos and displays as well as tangible materials produced by the projects. The MDF’s efforts to enhance the participation of women in the reconstruction have also received international attention through the World Bank’s global campaign on gender equality. The campaign ran in conjunction with the release of the World Bank’s annual World Development Report. Several MDF women beneficiaries are among women from around the world being



The MDF plays a key role in bringing together different stakeholders. In the past year, several meetings and discussions have been held to ensure proper closure of programs, such as this discussion on asset transfer hosted by the MDF Secretariat.

PHOTO: MDF SECRETARIAT

*“The MDF contributes to building and strengthening of local institutions to ensure sustainability.”*

featured in short films that can be viewed on the World Bank’s website as part of the Think Equal Gender Campaign (<http://thinkequal.worldbank.org/get-involved>).

**The MDF has become a valuable source of information for those implementing post-disaster reconstruction and recovery programs in other settings.** Widely regarded as one of the most successful multidonor trust funds for post-disaster rehabilitation and reconstruction in the world, the MDF and its projects provide models for best practices and lessons learned. Governments of disaster-affected countries, prominent universities, and other development agencies have conducted dialogues, field visits and studies of the MDF to gain direct insights into successful project activities and implementation. The MDF donors and Government of Indonesia have fully supported

these visits which illustrate that lessons from the MDF can contribute to responses in post-disaster situations around the world.

**The media has been an important partner to the MDF and its projects.** MDF activities, progress and outcomes capture the interest of the media; therefore, many projects utilize formal media outlets to reach wider audiences and to increase their public profile. Overall the MDF and its projects have generated over 80 positive media stories this year. A significant increase in media coverage is expected next year as the MDF approaches closure.

**The MDF promotes transparency and accountability in its program implementation.** All MDF-funded projects are required to establish complaint-handling mechanisms through which stakeholders, particularly beneficiaries, can channel their feedback, queries and grievances regarding project targeting and implementation. These mechanisms are continually monitored.

*“The MDF and its projects provide models for best practices and lessons learned.”*

Nearly all complaints and queries received by the respective projects were handled through consultations and direct verifications with communities and complainants. These mechanisms have strengthened the demand for good service delivery at grassroots levels.



A World Bank supervision mission visits Nias. Progress is continually monitored to ensure that projects are on track and achieving high quality results.

PHOTO: KRRP COLLECTION

## Feature Story 1

## RECLAIMING LAND, RECLAIMING LIVELIHOODS: TRWMP'S AGRICULTURAL LAND CLEARANCE PROJECT

*The Tsunami Recovery Waste Management Programme (TRWMP) builds capacity in local government to clear, recycle and dispose of tsunami waste. In addition, the project implements sustainable waste management systems that benefit the environment through the collection, recovery, recycling and safe disposal of waste materials. A key project outcome is the rehabilitation of farming livelihoods in Aceh Jaya and Aceh Besar districts through the project's land clearance initiatives. With the active involvement of communities, the project has helped to clear tsunami debris and sediment from more than 1000 hectares of agricultural land, allowing farmers to replant their fields and resume their pre-tsunami livelihoods.*

The small village of Kareung Ateuh nestles at the foot of a staggering lush green mountainside in Aceh Jaya district on one side; on the other side, the powerful ocean crashes into the sandy shores a kilometre away. It's a picturesque Acehnese village whose residents rely on the land around them for food and income. After they eat, what's left over is sold in the markets of Calang and Lamno and the

much-needed money goes to send their children to school, buy staples, and replenish their fields.

Cut Awi says she's been a farmer since she was born. She wouldn't tell her age, but this sturdy woman, with her hard hands and weathered face, has seen a lot of life in the last few years.



*Cut Awi stopped into the coffee shop on break from her fields in Kareung Ateuh, Aceh Jaya. She has spent the last seven years post-tsunami rebuilding her livelihood in farming.*

PHOTO: UNDP COLLECTION

"I'm a serious worker so there's no time for fun," she smiles with an easy laugh that says otherwise. "Other women watch television, but I'm not ordinary."

Cut and her neighbours lost almost everything in 2004 when a 20-metre high wall of water swept away their loved ones, their livelihoods, and their belongings. The entire west coast of Aceh was submerged and the bits of road visible through the high water were reduced to rubble. Cut was in Banda Aceh when the tsunami hit, and it took her 15 difficult days to make her way home across a few hundred kilometres of wreckage and devastation, normally a simple days' drive.

"There was nothing left," she says. "Everything was destroyed."

Now a widow, Cut is the sole breadwinner. Returning to her fields after a year in an Internally Displaced Persons (IDP) camp was not an option for her, and there are many who share her fate.

After the tsunami, approximately 26,000 hectares of Aceh's agricultural land near the coast lay under a thick layer of ocean sediment and debris. Farmers who survived the disaster were forced to abandon their fields in the immediate aftermath in order to contribute to the recovery and reconstruction effort and





Tsunami debris cleared off the farmers' fields is used as fill in another lot in the community of Kareung Ateuh, Aceh Jaya. TRWMP will help clear 150 hectares of tsunami damaged agricultural land in this village.

PHOTO: UNDP COLLECTION

provide for their families. Now the recovery jobs are done and farmers need to return to their traditional livelihoods.

In response to this need, the MDF's Tsunami Recovery Waste Management Programme (TRWMP), implemented by the UNDP, has made steady inroads to clearing the land of its sediment, returning over 1,000 hectares of land to fertile ground for future crops. TRWMP has made sure that it's an effort ignited at the heart of the community. Farmers are the key players in returning the land to normal. They have been involved in the process from the very beginning.

Idrus is the head of the farmers association. In his 60s, Idrus is up to his knees in mud as he surveys the clearance so far. Out of 150 hectares planned, 65 hectares are finished and ready

for farmers to plant their crops for the first time in almost seven years.

"There are only little technical problems, but we're all happy," he says. "We're committed to reactivating these fields."

"As soon as we can, we'll get back to work," Nahon, another farmer, calls out.

The heavy equipment does the dense work and farmers follow behind with shovels and hoes in hand for more intricate excavation. It was such a system that enabled the farmers to find sixteen bodies, buried under layers of silt since 2004.

Work came to a halt. The machines fell silent. Twelve skeletons were perfectly preserved untouched from their makeshift grave, with four other skeletons scattered nearby. The

*Imam* was called and the rest of the community gathered for a small ceremony in the field. The bodies were taken away for a proper burial.

While reminders of their loss are everywhere, the farmers have their goals in sight. They have to restart their livelihoods as soon as possible. The average income in the village is 700,000 *rupiah* (US\$80) per month. But with the fields up and running, the community of 135 households can improve their standards of living.

"This project has made a big contribution to our lives," says Ilyas, 30, the Vice Village Head of Kareung Ateuh. "There was no way for us to provide for our families. Now that we can grow crops again, we can improve our economy."



*Ibu Zulkarnaen harvests her organic paddy in Nagan Raya district. A strong gender focus has been incorporated into all MDF projects to ensure that women's roles and contributions in the reconstruction process are recognized. Ibu Zulkarnaen and her farmers group in Blang Ara village receive support from the EDFF project.*

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS AGENCY FOR MDF SECRETARIAT

## Chapter 2

### Portfolio Progress and Performance



**T**he overall reconstruction of Aceh and Nias is near completion and widely considered to be a success. Notable achievements have been made towards recovery and reconstruction in Aceh and Nias in the seven years since the devastating natural disasters of December 2004 and March 2005. Most other external assistance for the reconstruction has been phased out, but the MDF's engagement with Aceh and Nias continues in line with its mandate and in view of the longer term nature of disaster reconstruction needs in a post-conflict context.

**The Multi Donor Fund has contributed about ten percent of the overall reconstruction funds.** Strong support for coordination of the overall construction effort from the BRR, Bappenas and local government has resulted in huge multiplier effects so that the MDF's impact has been able to exceed its contributions. The MDF has also contributed to harmonizing donor efforts and to increasing the effectiveness and efficiency of the reconstruction process. MDF projects have responded effectively to the priorities and needs identified by the Government of Indonesia.

**The MDF's overall program mandate will come to an end on December 31, 2012.** Most projects will close by June 2012, but reconstruction activities on some projects will continue up to the MDF's program closing date in December 2012.

## OVERVIEW OF THE MDF PORTFOLIO

**The MDF portfolio is comprised of 23 projects in six outcome areas.** MDF funds support projects in the areas of community recovery, rehabilitation and reconstruction of large

infrastructure and transport, strengthening governance, sustaining the environment, enhancing the overall recovery process, and economic development and livelihoods. Partnerships are key to successful project implementation. Projects are implemented through government and non-government partners, including national government line ministries, the Governments of Aceh and North Sumatra, various agencies under the United Nations, and non-governmental organizations (NGOs).

**The MDF Steering Committee employed a phased approach to recovery and reconstruction and this strategy has proven successful.** The first phase met urgent needs for recovery of communities and rehabilitation of vital transportation networks. The second phase focused on large infrastructure, mitigating the impacts of reconstruction on the environment, and capacity building. The third phase is centered on economic development and continued strengthening of local capacity. A notable element of this strategy was to incorporate key cross-cutting areas across the portfolio, including gender and conflict sensitivity, protecting the environment, and a focus on disaster risk management. This strategy allowed critical needs to be met urgently and quickly, while more complex investments requiring deeper quality and capacity could be delivered over a longer time horizon.

**Remarkable outcomes have been achieved as the MDF portfolio matures.** Most targets have already been met, with strong results. Nine projects have closed, and 14 are in the full implementation phase or nearing completion. The portfolio's first and second waves of projects are in their final phases or have already closed. Several projects have extended their closing dates to allow maximum time for implementation. All projects must close during

2012, with the overall program closing on December 31, 2012.

**To ensure sustainability, all projects have focused on capacity building and developing sound exit strategies.** To this end, the MDF provides support to central and provincial governments to assist with the administrative and legal processes of transferring reconstruction assets so that funds can be

*“When communities are engaged, beneficiaries are able to transform immense personal loss into a positive and constructive effort to rebuild their lives.”*

allocated for operations and maintenance of these assets from the appropriate government budgets. Each project also has capacity building components to help ensure operations and maintenance is sustainable beyond project closing so that assets transferred to government have a stronger chance for successful utilization.

**The MDF provides a forum for policy dialogue on Aceh reconstruction that has brought together many stakeholders.** The community based housing approach is already a national and international model for post-disaster reconstruction. Infrastructure investments have revitalized economic activity and access across Aceh and Nias. Environmental outcomes

are positive, as the reconstruction process has avoided causing negative environmental impacts. In addition, the MDF has contributed to strengthened local institutions—government, non-government, and in communities—and sustained economic growth.

## RECOVERY OF COMMUNITIES

Community Recovery Projects	Funds Allocated (US\$ millions)
Kecamatan Development Project (KDP)	64.7
Urban Poverty Project (UPP)	17.45
Community-based Settlement Rehabilitation and Reconstruction Project (CSRRP-Rekompak)	84.97
Nias Kecamatan-based Reconstruction and Rehabilitation Planning Project (KRRP)	25.75
Reconstruction of Aceh Land Administration Project (RALAS)	14.83
<b>Total</b>	<b>207.7</b>

**The MDF has completed its work to support the recovery of communities.** The first group of projects to be approved by the MDF Steering Committee contributed to community recovery through government-implemented Community-driven Development (CDD) projects. Leveraging the existing *Kecamatan* Development Project (KDP) and Urban Poverty Project (UPP) programs and approach, this group of five projects either scaled up existing programs in Aceh and Nias (KDP and UPP), or adapted the CDD model to deliver specific reconstruction needs such as housing (CSRRP-Rekompak and the *Kecamatan*-based Reconstruction and Rehabilitation Planning Project or KRRP) or land titling (Reconstruction of Aceh Land Administration





A community hall in Hilimaenamolo village, Nias Selatan district built through the KRRP Project. MDF's community recovery projects have built more than 500 government offices and village halls in Aceh and Nias.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS AGENCY FOR MDF SECRETARIAT

System - RALAS). Three of these projects closed during 2010 (KDP, UPP, CSRRP-Rekompak). The land-titling project (RALAS) closed in June 2009, having strengthened institutional capacity on land adjudication. The Nias housing project, KRRP, completed its activities in June 2011.

**The MDF's Community Recovery projects have achieved impressive results in rebuilding houses and infrastructure at the community level: a**

**total of nearly 20,000 houses were constructed under the MDF.** These projects demonstrated that communities can take the lead in the decision-making role for their own recovery even in the most devastating circumstances. The MDF housing program was completed in Aceh in 2010 and in 2011 in Nias. More than 15,000 houses have been reconstructed or rehabilitated in Aceh with an occupancy rate of 97 percent, while an additional 4,491 houses were completed in Nias. The community housing approach has also demonstrated that communities and government working in partnership can achieve results that are transparent, cost-effective, and of high quality. Beneficiary satisfaction is high as communities are directly in control of the quality of construction. The engagement of the community also allows beneficiaries to transform immense personal loss into a positive and constructive effort to rebuild their lives.

**The KDP, UPP, CSRRP-Rekompak and KRRP projects have also delivered impressive results in the reconstruction of community infrastructure.** These projects have assisted communities to construct nearly 3,000 kilometers of village roads, eight kilometers of bridges, and over 1,500 kilometers of irrigation and drainage channels. In addition, 551 schools and 511 local government offices or village/town halls have been built or rehabilitated. Water and sanitation improvements include more than 7,800 wells or other sources of clean water and 1,220 sanitation units. Beneficiary satisfaction rates for these projects are generally high, signifying the importance of ownership and empowerment to the recovery of communities.

**RALAS has made an essential contribution to the reconstruction effort, distributing more than 220,000 land certificates.** Of these, 63,000 were issued in the names of women or as joint titles. Despite some difficult management and implementation issues, the project did contribute to restoring land rights and rebuilding the land administration system in Aceh. Training and capacity building in community-driven adjudication was provided to over 700 government staff and will continue to impact the government's delivery of land-titling services. Perhaps most importantly, increased public awareness and understanding of land-titling procedures and property rights of women will affect demand for these services in the future, as well as the demand for transparent delivery of such services.

*“The MDF’s Community Recovery projects demonstrated that communities can take the lead in the decision-making role for their own recovery even in the most devastating circumstances.”*

**The MDF’s community recovery projects have also set an enduring standard for community empowerment across Aceh and Nias.**

Community processes to rebuild infrastructure enjoyed high rates of participation. Results were imbued with a strong sense of ownership, and set expectations for a greater role for community members in development planning. The outcomes initiated at the community level across Aceh and Nias through these projects are expected to continue as the MDF-supported KDP, UPP and KRRP projects are merged under the national government’s PNPM Rural and Urban program.

**Women’s empowerment has been incorporated into each of the MDF’s community recovery projects, leading to increased participation and voice.** A strong gender dimension ensures that women play a role in the community decision-making process. These projects have piloted efforts not only to increase women’s participation in community planning activities but also to find

ways to ensure women’s voices are heard. UPP developed a component to enhance women’s empowerment by setting aside specific funds for activities selected by women. Both KDP and UPP also supported women’s empowerment through providing microfinance opportunities specifically for women. RALAS played an important role in raising awareness of women’s land rights and by supporting joint land titling. Almost 30 percent of the land titles issued under the project were joint titles or in women’s names. Lessons from integrating gender into community-driven

projects and disaster preparedness programs in Aceh and Nias are feeding into ongoing PNPM and other programming in Aceh and Nias and across Indonesia.

**The success of the MDF's community recovery projects has demonstrated that community-driven approaches can be successful in a post-disaster situation.** The efficacy of these approaches is evident as lessons learned are already being used in other national and international post-disaster contexts. The Aceh housing project (CSRRP-Rekompak) became a model for the Government of Indonesia's housing reconstruction program in Java following the 2006 earthquake. More than 200,000 houses were constructed adopting this approach. This model has been further adapted in West Sumatra following the 2009 earthquake. The national government has adopted the community-based approach as part of its overall policy for post-disaster housing reconstruction. In addition, delegations from other countries, including Haiti, have visited Aceh and Java to study the CDD post-disaster reconstruction projects, taking away impressive lessons for replication. KDP, KRRP and CSRRP-Rekompak conducted workshops at project closing to discuss lessons learned, both for future work in Aceh and Indonesia as well as for other post-disaster scenarios around the world. These workshops provided an opportunity for beneficiaries to interact closely with local and national government representatives to help define their own expectations of their government.

## RECONSTRUCTION AND REHABILITATION OF LARGE INFRASTRUCTURE AND TRANSPORT

Large Infrastructure and Transport Projects	Funds Allocated (US\$ millions)
Banda Aceh Flood Mitigation Project (BAFMP)	6.27
Infrastructure Reconstruction Enabling Program (IREP)	42.00
Infrastructure Reconstruction Financing Facility (IRFF)	136.70
Lamno-Calang Road Maintenance Project	1.46
Sea Delivery and Logistics Programme (SDLP)	25.03
Tsunami Recovery Ports Redevelopment Programme (TRPRP)	3.78
Nias Rural Access and Capacity-Building Project (RACBP)	11.80
<b>Total</b>	<b>227.04</b>

**In partnership with the Government of Indonesia, the MDF is a major contributor to the reconstruction and rehabilitation of large infrastructure in Aceh and Nias.** The MDF has made considerable investments in infrastructure reconstruction and rehabilitation in line with the priorities of the Government of Indonesia and the provincial governments. Approximately 35 percent of the MDF's funds have been allocated to this sector. In addition, significant contributions have also been made to community-level infrastructure through the MDF's community recovery programs.

**The MDF responded comprehensively and strategically to the recovery of infrastructure and transport after the tsunami.** Logistical support for the transport of reconstruction materials to affected areas was a critical need



The MDF has allocated approximately 35 percent of its contributions to the reconstruction of large infrastructure and transport. Large infrastructure projects, such as this drainage system and reservoir in Lhokseumawe city, completed in June 2010, provide a springboard for future economic growth and development.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS  
AGENCY FOR MDF SECRETARIAT

in the early days of reconstruction. The SDLP provided a shipping service from 2005 to 2007, enabling a wide range of agencies involved in the recovery and reconstruction to move cargo to the west coast of Aceh and remote landing sites on the islands of Nias and Simeulue. After the initial recovery stage, MDF funds were allocated through various projects for the reconstruction of large infrastructure, which included ports, national, provincial and district roads, water supply and treatment systems, drainage systems, sanitary landfills and coastal protection systems. Capacity building and attention to the needs of marginalized groups have been strong elements present in all these reconstruction efforts.

**Three of MDF's infrastructure projects have reached completion after effectively restoring quality transport links and critical infrastructure.** The Lamno-Calang Road



maintenance project allowed the major west coast corridor to remain functional in the first two years following the tsunami. The project closed in December 2007 after other donors took over the reconstruction of the west coast corridor road. The Banda Aceh Flood Mitigation Project (BAFMP) completed in 2009 protects the central business area of Aceh's capital against flooding and will be of lasting import in any future disaster. This project provides important lessons for other areas, especially as other countries in the region face severe flooding. The Tsunami Recovery Ports Redevelopment Programme (TRPRP) helped to restore essential transportation networks by providing physical designs and technical support for the reconstruction of major seaports and a river port. The redevelopment of these ports ensured that equipment and materials could be delivered to isolated areas in order to rebuild communities and livelihoods during the early reconstruction phase. These transport projects multiplied the impact of the MDF's investments by providing access to affected areas to a range of reconstruction actors, including GoI, NGOs, CSOs, and multilateral and bilateral donors.

**The MDF has contributed to the reconstruction of large infrastructure principally through two key projects: the Infrastructure Reconstruction Enabling Program or IREP, and its companion project, the IRFF.** These two projects, with a combined total of more than US\$178 million in investments from the MDF, have worked in tandem to support the design, finance and implementation of 52 separate infrastructure subprojects implemented by the Government of

Indonesia. MDF grant funds were supplemented by over US\$100 million in the GoI's own funds contributed to IRFF. This co-financing arrangement facilitated the integration of donor and government support for reconstruction of infrastructure. Through the MDF's substantial investments in these two projects, approximately 570 kilometers of national and provincial roads, 87 kilometers of district roads, five ports and 11 water supply and coastal protection systems have been completed. The work under these two projects is now nearly complete, and the IREP will close in December 2011.

*“The MDF is a major contributor of large infrastructure in Aceh and Nias within the context of post-disasters reconstruction.”*

**The MDF's final strategic investment in large-scale infrastructure is under way.** Additional financing of US\$ 37 million was allocated to IRFF to construct a critical 50 kilometer segment of road from Aceh Jaya to Aceh Barat. This strategic portion of road completes the transport link along the west coast of Aceh. The West Coast road is expected to provide livelihood benefits and access to

basic services for more than 900,000 inhabitants, reducing transport costs and increasing economic opportunities. With this additional financing, total MDF funds allocated to IRFF now amount to US\$137 million—the largest single project in the MDF portfolio. Together with GoI cofinancing, the total amount invested in the reconstruction of large infrastructure through IRFF is approximately US\$245 million.

**The local resource-based (LRB) approach for the construction of rural roads introduced by the ILO has proven well-suited to the operating conditions in Aceh and Nias.** The Rural

Access and Capacity-building Project (RACBP) implemented by the ILO focuses on the cost-effective and durable improvement of the rural transport network in Nias. Local resource-based approaches are employed to build trails, bridges and roads, using environmentally friendly construction approaches that require minimal maintenance. The project has also utilized a South-South exchange in technical assistance, bringing engineers from Nepal experienced in suspension bridge design and construction to assist with constructing trail bridges under very similar conditions in Nias. A similar project, Capacity Building for Local Resource-based Rural Roads (CBLR3), has applied the local resource-based approach in several districts in Aceh and Nias, with good results. Both of these projects will continue implementation into 2012, with an increasing focus on building capacity of communities and local government to implement the local-resource based approach with their own resources after the projects close.

**Attention to quality and incorporating Disaster Risk Reduction (DRR) are strong components of the MDF's infrastructure work.** Balancing the need for speed and quality is a huge challenge in any reconstruction context. Under the MDF, strong project supervision helped to ensure high quality construction. Construction designs followed environmental safeguards and met quality criteria appropriate for disaster-prone areas. DRR awareness has also been included in the capacity building components of the MDF's infrastructure projects. The SDLP is enhancing sustainability in its final phase by using existing funds to incorporate the development of emergency procedures and response into logistics and communications systems in Aceh.

**The MDF has played a key role in creating infrastructure networks throughout Aceh and Nias, providing a springboard for future economic growth and development.**

International ports have been constructed at Lhokseumawe and Kuala Langsa in Aceh, providing gateways to international markets. In Gunung Sitoli on the island of Nias, and Sinabang on the island of Simeulue, the domestic ports have been reconstructed, improving inter-island connectivity for these remote districts. The second phase of the SDLP project invested in the human resources and management systems to improve the efficiency, safety and capacity to administer these and 18 other ports across Aceh and Nias. The extensive national, provincial and district roads constructed through IRFF, ILO roads projects in Aceh and Nias (CBLR3, RACBP) and the MDF's community recovery projects are contributing to a transportation network which has opened up areas that were previously difficult to reach. In addition, the use of local labor and local procurement of materials has generated economic benefits in communities. Local government capacities for the operations and maintenance of local infrastructure networks have been enhanced through project activities, so that the benefits of the MDF's investments in infrastructure and transport will continue long beyond the close of the program. This is particularly important for Nias, given topographic, geographic and capacity building challenges.

## STRENGTHENING GOVERNANCE AND CAPACITY BUILDING

Strengthening Governance and Capacity Building Projects	Funds Allocated (US\$ millions)
Capacity Building for Local Resource-based Rural Roads (CBLR3)	11.80
Support for Poor and Disadvantaged Areas (SPADA)	25.03
Support to Strengthen the Role and Capacity of CSOs	6.00
<b>Total</b>	<b>42.82</b>

A cornerstone of the MDF since inception has been post-disaster institution building through good governance and capacity strengthening to ensure sustainability of activities after reconstruction ends. Strengthening capacity for improved local governance is built into almost all MDF projects throughout project implementation. This capacity building is the primary objective for three projects in the portfolio targeting civil society (the CSO project), district government (SPADA), and district Public Works departments and local road contractors (CBLR3). Three other projects (AGTP, NITP, and TA to BRR and Bappenas) have also contributed directly to strengthening governance by building the capacity of local governments with the objective of enhancing the efficiency and effectiveness of the recovery process. With strong work toward meeting these objectives, this set of projects has now closed or currently implement exit strategies to ensure sustainability after closing.

Through its Civil Society Organization (CSO) project, the MDF provided the reconstruction effort's most significant and extensive support to build civil society networks in Aceh and Nias. The CSO project introduced community-based monitoring (CBM) of the rehabilitation and

reconstruction efforts in Aceh and Nias. This approach built mutual trust and respect between local governments and the CSOs/CBOs, resulting in better coordination and collaboration in community planning. The project paid special attention to mainstreaming gender into CSO policies, processes and practices. The CSO project provided 142 small grants to CSOs and community-based organizations (CBOs) in

*“SPADA block grants have opened up access to previously isolated villages, increased opportunities to start small businesses, and improved the access to health and education services in disadvantaged communities.”*

Aceh and Nias and reached more than 33,000 beneficiaries, nearly 44 percent of whom are women. It closed on May 30, 2010, with more than 100 facilitators from local NGOs and CSOs registered and equipped to work with communities to encourage participation and promote good governance.

The CBLR3 Project<sup>1</sup> builds capacity at district and community levels to use local resources for construction of local roads in Aceh and

<sup>1</sup> Also called the ILO Rural Roads project.



The SPADA project helps develop rural poor and disadvantaged areas in Aceh and Nias. Thirty percent of block grants provided by this project were allocated to support improvements in health and education, such as this SPADA-supported school in Aceh Utara district.

PHOTO: MDF SECRETARIAT

**Nias.** The project, implemented by the ILO, had significant success integrating the local resource-based (LRB) approach for district road reconstruction and maintenance. It has rebuilt almost 155 kilometers of district and sub-district roads and conducted maintenance work on 230 kilometers of rural (district and sub district) roads while building the capacity of district governments to implement the LRB approach. The project completed its initial work in 2011 and has been extended to August 2012 in

order to implement its exit strategy. The main emphasis of this phase is to build capacities for management of road assets at the district level. This phase will also implement additional road rehabilitation infrastructure works to improve the connectivity to support local economic development. The Nias RACBP, also implemented by ILO, further builds capacity to apply this local resource-based approach to road construction in Nias.

**The SPADA Project in Aceh and Nias contributes to the government's efforts to develop rural poor and disadvantaged areas to create economic development and improved services for its citizens, particularly in health and education.** The project built local governance capacity through the bottom-up planning approach while implementing nearly 700 community infrastructure sub-projects, addressing priority needs from water supply to bridges. Business-government forums in five districts have assessed obstacles to local



private sector development and new business registration has increased. SPADA block grants have opened up access to previously isolated villages, improved opportunities to start small businesses, and improved the access to health and education services in disadvantaged communities. The SPADA project in Aceh and Nias closes in December 2011.

**The need for support for local governance and capacity building in the post-disaster and post-conflict context in Aceh and Nias was extensive.**

MDF has made substantial contributions to laying the groundwork for improving local capacity through all of its projects. However, while significant needs in this area remain, it is beyond the MDF's mandate to address all capacity building needs. These needs will continue to be a high priority in the future development agendas of Aceh and Nias after the MDF closes in 2012.

## ENHANCING THE RECOVERY PROCESS

Enhancing the Recovery Process Projects	Funds Allocated (US\$ millions)
Technical Assistance to BRR and Bappenas Project (R2C3)	24.48
Disaster Risk Reduction-Aceh (DRR-A)	9.87
Aceh Governance Transformation Programme (AGTP)	13.98
Nias Islands Transformation Programme (NITP)	3.89
<b>Total</b>	<b>52.22</b>

**The MDF has played a strategic role to enhance the effectiveness and efficiency of the overall recovery and reconstruction process.** The MDF

provided technical assistance and operational support to the BRR in its role as coordinator of the nearly US\$7 billion overall reconstruction program to achieve its mandate in a timely and transparent manner. This included support for the development of policies, legal framework, projects and programs, and monitoring tools and systems for the reconstruction and recovery process from July 2005 until the closure of BRR in 2009.

**Since the closure of BRR, the MDF has continued to support the coordination of reconstruction which is now being carried out by regular government agencies.**

The MDF supports three projects (TA to BRR and Bappenas, AGTP and NITP) aimed at enhancing the effectiveness and efficiency of the overall reconstruction and recovery processes through support to national and provincial levels of government. These three projects have recently been extended with some additional financing from the MDF, so that they can not only continue to provide this support into 2012 but also help to implement exit strategies.

**The TA to BRR and Bappenas project continues to support the government's coordination of reconstruction and rehabilitation activities.**

The TA to BRR was originally designed to provide BRR with support for its technical and operational needs from July 2005 to April 2009. The project now focuses on continuing the rehabilitation and reconstruction agenda in Aceh and Nias with Bappenas leading coordination efforts at the central level and Bappedas at the provincial level. This project is also referred to as R2C3 by Bappenas. It will continue playing this coordination role until the end of the MDF's mandate in December 2012.

**The AGTP and the NITP provide support at the provincial and district level respectively to enhance efficient and effective recovery in**



A student on a study tour to the Tsunami Disaster Management Research Center (TDMRC) in Banda Aceh. The center receives capacity building support from the DRR-A project. Mainstreaming disaster risk reduction and preparedness into the local development process is an important objective of this project and other MDF projects designed to enhance the recovery process in Aceh and Nias.

PHOTO: UNDP COLLECTION

**Aceh and Nias.** Together with TA to BRR and Bappenas, AGTP and NITP work closely with all levels of government and line ministries to support the transfer of rehabilitation and reconstruction assets. AGTP and NITP aim to enable the provincial and district governments to continue development activities after the projects close. AGTP builds capacity and synergy by linking its efforts with the Government of Aceh's development cycle in planning, budgeting, monitoring and evaluation. NITP has initiated a stakeholder coordination forum to accelerate the asset transfer process in the islands. Both projects have helped to implement standards for recruitment and hiring of government staff.

**As another important component of its efforts to enhance the recovery process, the MDF supports disaster risk reduction (DRR) and preparedness through the DRR-A project.** DRR-A is one of the two MDF projects focusing on DRR issues. NITP also incorporates a DRR component in its capacity-strengthening work in Nias. DRR-A was designed to institutionalize DRR in long-term local-level development processes,

and works on DRR in all spheres, from the community to the provincial level. One aspect of its unique and important contributions to disaster preparedness has been to build capacity and sustainability through support to local institutions, the Tsunami and Disaster Mitigation Research Center (TDMRC) of Syiah Kuala University and several local NGOs in various districts. The project has also been instrumental in the establishment of the Aceh Disaster Management Agency (*Badan Penanggulangan Bencana Aceh* - BPBA). To ensure sustainability, the project has established a wide range of partnerships with government, media, NGOs and academia and continues to foster ownership of the DRR agenda with all local government departments.

## SUSTAINING THE ENVIRONMENT

Sustaining the Environment Projects	Funds Allocated (US\$ millions)
Aceh Forest and Environment Project (AFEP)	17.53
Tsunami Recovery Waste Management Programme (TRWMP)	39.40
<b>Total</b>	<b>56.93</b>

*“Environmental sustainability is a cross-cutting theme for projects across the MDF portfolio.”*

The MDF demonstrated its commitment to protecting the environment during reconstruction through committing funds for that purpose, one of the few programs for Aceh reconstruction to do so. Environmental sustainability is a cross-cutting theme for projects across the MDF portfolio, and is the primary focus of two specific projects. The AFEP was created specifically to mitigate the potential negative impact that reconstruction might have on Aceh’s vital forest ecosystems. The TRWMP was initially designed to assist with the cleanup after the tsunami and is making an important contribution to long-term environmental sustainability for Aceh and Nias through creation of a sustainable system of solid waste management.

The key objective of the AFEP is to build capacity in both the government and communities to protect and sustainably manage Aceh’s forest resources. The project has shown strong results in the areas of monitoring illegal logging, supporting law enforcement, mitigating human-wildlife conflicts, mapping forest resources, developing local forest management plans, and building public awareness through education and outreach. All field activities were completed in 2011 and the project continues to work on ensuring sustainability. Several of AFEP’s core initiatives are continuing with support from other sources. The successful Community Rangers program in the Ulu Masen ecosystem and its related activities are now being supported by the European Union



A worker organizes cardboard and paper at the *Sumber Rezeki* Recycling Center in Lhokseumawe city, supported by the MDF’s Waste Management Project (TRWMP). Activities promote sustainable income generation while diverting recyclables from district landfills.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS AGENCY FOR MDF SECRETARIAT

and CPDA through separate funding. The Community Rangers program recruits former illegal loggers, poachers and ex-combatants and provides them with alternative employment to monitor the forests for illegal activities, creating a transformation in the relationship between communities and the forests. AFEP has concluded its support for the Aceh Green agenda and MDF support for Aceh Green now continues under the AGTP.

**The TRWMP works to improve and sustain the environment in Aceh and Nias through a focus on solid waste management (SWM).** Now in its third phase, TRWMP supports capacity-building activities to ensure sustainable solid waste management infrastructure and services are in place after the project closes. Local government staff in two districts were provided with skills and resources to draft district regulations on SWM, and these regulations are awaiting approval by their respective District Parliaments. TRWMP anticipates that the approval and enactment of these laws will set an example not only for the rest of Aceh and Nias, but throughout Indonesia. Construction of permanent landfills (one regional landfill and four district landfills) have experienced some delays, but the project team is working closely with provincial and district governments to get issues resolved so that the landfill construction activities can be completed in 2012. TRWMP works closely with the Ministry of Public Works (MoPW) and district-level Public Works departments to ensure sustainability of the project's achievements. The MoPW has committed to provide co-financing for the selected regional landfill and other district-level landfills for which designs were developed by the project.

**TRWMP is also demonstrating success in helping to recover and improve livelihoods for farmers and small and medium enterprises.**

The project continues to support waste management-related livelihood activities such as recycling. Activities promote sustainable income generation and raise awareness amongst the community on the need and benefits of proper solid waste management, while diverting plastics and other recyclables from district landfills. The project also works in partnership with affected communities to clear tsunami sediment from agricultural land. More than 1,000 hectares of farm land has been cleared of debris and sedimentation and is ready to go back into production.

## ECONOMIC DEVELOPMENT AND LIVELIHOODS

Economic Development and Livelihood Projects	Funds Allocated (US\$ millions)
Aceh Economic Development Financing Facility (EDFF)	50.00
Nias Livelihoods and Economic Development Project (LEDP)	8.20
<b>Total</b>	<b>58.20</b>

**The MDF's support for livelihoods recovery and economic development followed a phased strategy.** The early support in this area focused primarily on employment generation through reconstruction activities, especially in the community recovery cluster of projects including CSRRP-Rekompak, KDP, UPP and KRRP. The MDF has generated more than 14.1 million paid workdays through the community recovery and housing cluster of projects as well as through CBLR3, RACBP, and TRWMP and others. These work opportunities provided a much-needed cash infusion to affected families during recovery and reconstruction. In addition, three projects provided microfinance to affected





Coffee is one of Aceh's prime commodities. In the districts of Aceh Tengah and Bener Meriah, Aceh, the EDFF project builds capacity of more than 1,500 coffee farmers through training in proper coffee cultivation and post-harvest handling.

PHOTO: TARMIZY HARVA FOR MDF SECRETARIAT

households (CSO, KDP and UPP), and support to small businesses related to recycling and waste management was provided by the TRWMP. Women have been able to benefit from these new and increased employment opportunities in large numbers.

**The MDF's support for economic development is now in full implementation in both Aceh and Nias.** The strategy of a phased approach followed the government's priorities for filling

gaps in community recovery and infrastructure first, with economic development and livelihood activities designed for a later stage in the MDF reconstruction process. Two of the MDF's last projects, the EDFF and the LEDP, directly address improvements in livelihoods and economic development. These projects are intended to smooth the transition from reconstruction to development in Aceh and the Nias islands and build a foundation for future economic growth.

**The EDFF project is piloting a unique partnership model involving international and local NGOs working with provincial government to support economic development in Aceh.** This US\$50 million project funds eight subprojects selected through a transparent process to support development in Aceh's key economic sectors of agriculture and fisheries, with a special emphasis on two important export crops, coffee and cacao. The EDFF contributes to economic recovery in areas affected both

directly and indirectly by the tsunami and earthquake. Subprojects are being implemented in almost every district, covering activities which include the provision of agricultural tools and inputs, development of cooperatives, quality enhancement, improved access to markets, access to finance, and women's empowerment, among others.

**The Nias LEDP aims to build the capacity of local government to improve livelihoods and facilitate economic development in Nias Islands.** The project provides technical assistance and inputs to women and mixed gender farming groups in a range of rural livelihood activities with a focus on rice and the key cash crops of cacao and rubber. The LEDP coordinates with another project in Nias, the RACBP (implemented by ILO), which provides improved access in rural areas. The two projects work in most of the same areas, supporting agricultural improvements complemented by increased access to markets and services, thereby facilitating better livelihood opportunities and economic development in Nias.

**Since its inception, livelihood recovery has been integrated into projects across the MDF portfolio.** The AFEP has supported agro-forestry and a number of alternative livelihood options for communities living on the edge of protected forests as well as provided direct employment to community members through the Community Ranger program. The business environment in Aceh has been improved through a component of SPADA that strengthens the capacity of provincial government to issue business licenses. EDFP and Nias LEDP now provide a direct focus on livelihoods recovery by laying the foundation for improved long-term economic growth in key productive sectors in Aceh and Nias.

## CHALLENGES AND CROSS-CUTTING ISSUES

**The MDF operates in a complex context which makes reconstruction extremely challenging.**

Aceh presents unique challenges as a post-disaster recovery situation embedded in a post-conflict environment and, as such, has required a reconstruction approach that is sensitive and mindful of this context. Local government and civil society capacity was low as a result of the years of conflict. Transport, infrastructure, the economy and social services had also been severely impacted. Layered on this context was the extreme loss of life, morale and capacity in the many communities that were destroyed by the earthquake and tsunami. The MDF has effectively incorporated this conflict sensitive approach into its post-disaster programming across Aceh and Nias.

**The difficult environment for project implementation has been even more challenging in extremely remote Nias.** Poor transportation networks, a long rainy season, lack of access to quality materials, and difficulty in recruiting and retaining qualified field staff have contributed to delays for most projects there. These physical difficulties have been compounded by the political subdivision of the island from just two districts into four districts and one municipality. This subdivision has placed a further strain on available local government capacity for effective project implementation and has stretched an already small budget even further.

**The transition of responsibility for the reconstruction to regular government agencies at national, provincial and district levels following the closure of BRR created a new set of challenges.** Putting new institutional arrangements in place and the return to regular government processes resulted in delayed



Community members construct a paved road to their isolated village in Gido sub district, Nias district to build a paved road. Both Aceh and Nias present unique challenges—part of the complex context in which the MDF operates.

PHOTO: KRRP COLLECTION.

startup and implementation for several key projects. The transition to regular government budget processes for the disbursement of funds, in particular, has been a challenge. Delays in approval of the central government's annual budget (DIPA) have held up implementation for a number of MDF projects in the past; these are challenges that will need constant attention going forward.

**Capacity building and transfer of reconstruction assets to the relevant authorities present the most critical future challenge.** Capacity building has been a key component of all MDF projects and the MDF's Mid-Term Review identified this broad-based approach as the MDF's greatest contribution to the overall reconstruction. Capacity-building needs remain, however, and will extend beyond the mandate of the MDF. The MDF is supporting national and provincial governments in the process of verification and transfer of reconstruction assets to local authorities through the AGTP, NITP and TA to BRR and Bappenas projects, but a significant amount of work on this task remains.

**The MDF has consistently promoted gender equity in all its projects.** The CSO, UPP, KDP, RALAS, KRRP, CBLR3, and SPADA projects all piloted gender-inclusive approaches that provide lessons for national PNPM programs and lessons for other projects and contexts.

**Sustainability of MDF investments is an important concern for all stakeholders.** The last set of projects face tight timelines to complete project implementation by the MDF's closing date. These include the two important economic development and livelihoods projects, Aceh EDFF and Nias LEDP, and two infrastructure projects, the Nias RACBP, and the road construction along the west coast of Aceh under IRFF. These projects cannot afford any further delays in implementation. The continued attention and coordination of all stakeholders is needed to ensure that these projects can implement activities and close by December 2012.

## Feature Story 2

**“BEFORE I CARRIED A RIFLE; NOW I CARRY A HOE”****Restoring economic opportunities through revitalized cocoa farming**

*Indonesia has been the world's third largest cocoa producer for the past twenty years. Cocoa is the main source of income and livelihood for more than one million small farm households across Indonesia. Under a project implemented by NGO Swiss Contact, with a grant from the MDF's Aceh Economic Development Financing Facility (EDFF), 19,000 cocoa farmers are being trained to improve their farming techniques and rehabilitate their cocoa farms. The project aims to give small farmers more control over the long-term sustainability of their cocoa production, and is restoring the economic opportunities that cocoa offers to poor rural communities.*

In Aceh, cocoa production has been slowly increasing now that farmers can safely return to their plots of land since the long-running conflict ended a few months after the 2004 tsunami. Many cultivated areas were abandoned or neglected during the conflict due to the risks of tending these often isolated fields and groves. Many tsunami victims also returned to their original inland villages in cocoa and coffee-producing

areas after their homes, communities and livelihoods near the coast were destroyed in the waves.

The village of Balee Panah is a peaceful, clean and modest place, with houses well-spaced out among tall trees. But it wasn't always like this.

Pak Yusrizal is the district coordinator for Swiss Contact in Bireuen.

“This village was badly affected by the conflict, with many kidnappings and house burnings,” according to Pak Yusrizal. He explains how the project funded by EDFF has helped the community:

“Before Swiss Contact started the field school, people planted their cocoa and then just left it alone, expecting it to grow. In fact they called it a *hutan kakao* (cocoa forest). Now they realize the crop needs to be tended like a real farm and they call it their *kebun kakao* (cocoa garden). People are trying new things. They know now that side grafting is better than planting new seedlings— it's faster, more successful and yields better quality cocoa. They understand the whole process from planting seedlings to managing the harvest. They've learned to bury

the old trees and branches now instead of leaving them lying around (which allows pests to breed). Now they are proper farmers. They work well as a group and support each other more.”

Awareness building activities help educate communities about the benefits of field schools to develop farming skills. Each farmer's group has its own field school. Three people lead the training, one of whom is a “lead” or key farmer from the group. Communities participate in choosing one key farmer to train—someone who is a high school graduate, who has the ability and willingness to share experience, and who can easily gain the ear of the community. This training takes 16 weeks.

“It's very important to select the right lead farmer” explains Pak Yusrizal. “It's essential that the group chooses someone who is willing to share knowledge and who is a good role model.”

Pak Zulkifli is one such role model.

“The community selected me to do more training and to become their key farmer. I think people chose me because I graduated from a specialised



high school and have a diploma in agriculture. It might also be because I like to share information with people. I've made a lot of friends outside this village which means a lot to me, and I have gained much broader knowledge. I've been able to show the farmers in my group new things I've learned, like how to build ant nests as a natural pesticide. With the extra income I've bought household goods, and I've helped buy equipment to share with the other farmers."

As well as having a key farmer, each group is also coordinated by a deputy head farmer. *Pak Idris* is the deputy head in the Balee Panah's farmers group.

"I've seen a lot of changes since the field school was set up. We are now planting *kebun kakao* and we know how to tend trees from the beginning to the end. We are very proud of our cocoa and we want very high quality."

"Our incomes have significantly increased since we joined the farmers group," *Pak Idris* continues. Beneficiaries say that before the field school, they harvested 600 kilograms of cocoa for a one-hectare plot, and now they are able to harvest 1,000 kilograms per hectare. Each farmer in this group of 30 has his own *kebun*, but the farmers work as a group taking turns helping each other.

"I've used the extra income to buy a motorcycle which has been really useful for bringing my own cocoa to the market," beams *Pak Idris*.

Meanwhile, in the neighboring village of Utuen Gathom, key farmer and ex-combatant *Pak Samsul Bahri*, is working in his cocoa grove. He's 43 and married with three children. *Pak Samsul* describes his transformation from combatant to farmer.



*Pak Samsul Bahri, an ex-combatant himself, is forming a group to teach his peers up-to-date cocoa farming techniques. "I want to give other ex-combatants a chance to become better farmers."*

PHOTO: TARMIZY HARVA FOR MDF SECRETARIAT

"I inherited the *kebun* from my father. I began cultivating cocoa right after the tsunami and the end of the conflict, but I didn't know anything about farming then. When Swiss Contact

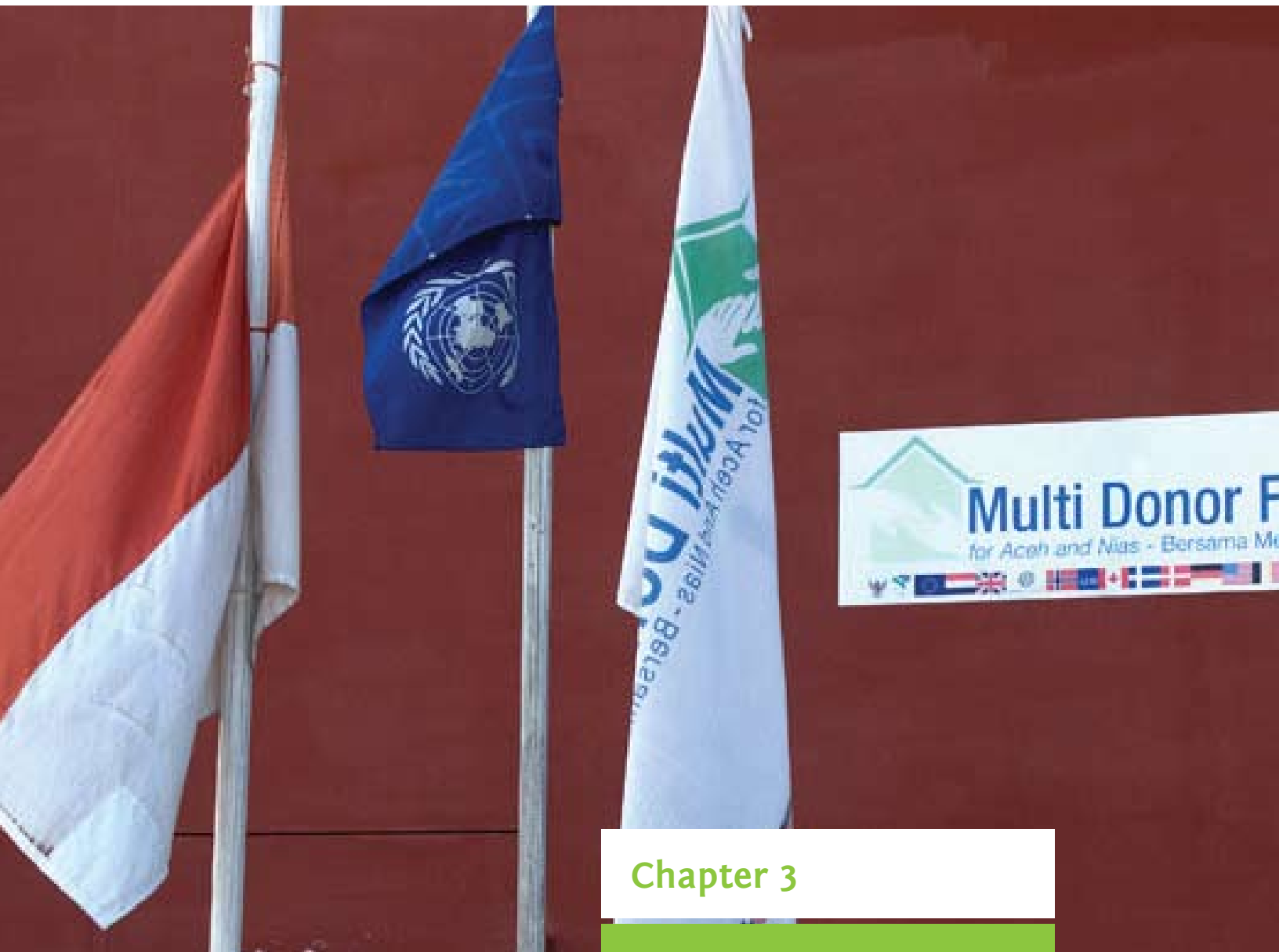
brought this project to our village, the community chose me to be a key farmer because by then I already had at least some experience growing cocoa. But I learned a lot from the field school. I used to harvest ripe cacao pods every 20 days but now I harvest every week. Now I can harvest up to 50 kilograms in a week."

*Pak Samsul's* group consists of 34 other cocoa farmers. "It's hard work but we all help each other out," he says. He regularly gives demonstrations, such as in how to propagate. He even wrote a producer's manual for the group. "I modified the training manual to make it more practical and easier to understand. Now everyone has their own copy," he says proudly.

Later this month, *Pak Samsul* is forming a new cocoa group for ex-combatants and teaching them how to start cocoa farming. He's set aside one hectare of his own land for demonstrations.

"I do it because we were together in hard times. Now that I'm making it as a farmer I want to give other ex-combatants a chance to become better farmers."

He pauses and adds, "Before, I carried a rifle; now I carry a hoe and farm tools."



Partnerships have been key to the MDF's success. MDF projects are implemented through government and non-government partners, including various UN agencies and NGOs.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS  
AGENCY FOR MDF SECRETARIAT

## Chapter 3

### Finances

**T**he MDF pools grant funds contributed by 15 donors in order to respond effectively and efficiently to the post-tsunami and earthquake reconstruction needs in Aceh and Nias. Fiduciary oversight and management of the finances is provided by the World Bank as Trustee of the MDF.

*“The MDF has allocated US\$644.9 million or 99% of contributions to 23 projects.”*

## PLEDGES

As of September 2011, the MDF has received a total of US\$654.7 million in pledges from its 15 donors. These pledges are formalized through contribution agreements. The value of the total pledges may fluctuate according to the exchange rate at the time the funds are made available to the MDF. During 2011 a reduction of US\$25.4 million in the total amount pledged by the Netherlands was formalized.

## CASH RECEIVED

The MDF has received US\$627.2 million in cash as of September 30, 2011, or 96% of total pledges. The final installment of the Netherlands' contribution amounting to US\$7 million was received in November 2010. At close of this reporting period in September 2011, outstanding contributions from EU totaled about US\$27.5 million. The final payment for this outstanding amount has been received during this reporting period, in October 2011. As of publication, all donor pledges have been paid in full.

## ALLOCATIONS

The MDF has allocated US\$644.9 million through grants to 23 projects<sup>2</sup>. This amount comprises 99% of contributions and with less than US\$2.8 million remaining, MDF funds are now considered to be fully allocated. The total allocation appears slightly lower than in the previous reporting period because unspent balances from closed projects totaling \$1.4 million have been paid back to the MDF. Residual funds which are expected to be returned from closed projects are being reprogrammed to several active projects in late 2011. These allocations are expected to total US\$10.6 million. No further allocations are planned beyond November 2011, given the limited time remaining for implementation.

**The amount unallocated stands at US\$2.8 million.** The MDF expects this amount (and any further residuals) will remain until the conclusion of the MDF program.

**The MDF has made significant investments in its six targeted outcome areas, as prioritized by the Government of Indonesia.** Approximately one-third of the portfolio is allocated to large infrastructure and transport. Another one-third has been allocated to community recovery,

<sup>2</sup> Allocation to specific projects appear in Chapter 2.

**TABLE 3.1: PLEDGES AND CONTRIBUTIONS AS OF SEPTEMBER 30, 2011\***

Source	Pledge amount and Contribution Agreements signed in US\$ million	Cash Received US\$ million	Outstanding Contribution US\$ million
European Union	271.31	243.86	27.45**
Government of Netherlands	146.20	146.20	-
Government of United Kingdom	68.50	68.50	-
Government of Canada	20.22	20.22	-
World Bank	25.00	25.00	-
Government of Sweden	20.72	20.72	-
Government of Norway	19.57	19.57	-
Government of Denmark	18.03	18.03	-
Government of Germany	13.93	13.93	-
Government of Belgium	11.05	11.05	-
Government of Finland	10.13	10.13	-
Asian Development Bank	10.00	10.00	-
Government of United States	10.00	10.00	-
Government of New Zealand	8.80	8.80	-
Government of Ireland	1.20	1.20	-
<b>Total Contributions</b>	<b>654.66</b>	<b>627.21</b>	<b>27.45</b>

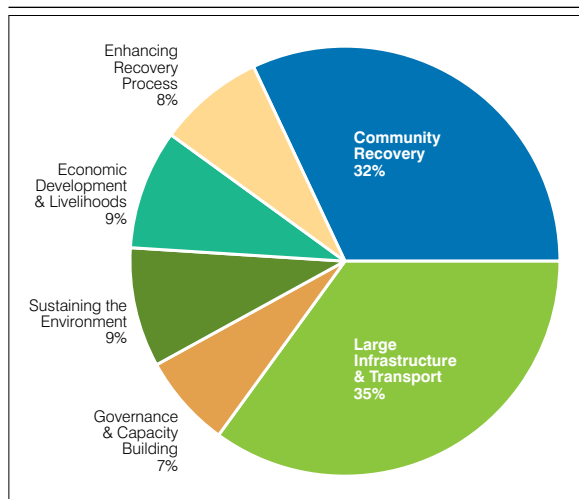
\* Exchange rate as of September 30, 2011; Source: World Bank. \*\* Received in October 2011 after this reporting period.



The MDF has generated more than 14.1 million paid workdays. These provided a much-needed cash infusion to affected communities. Here, a family in Nias carries materials for rebuilding their own house, with support from the KRRP project.

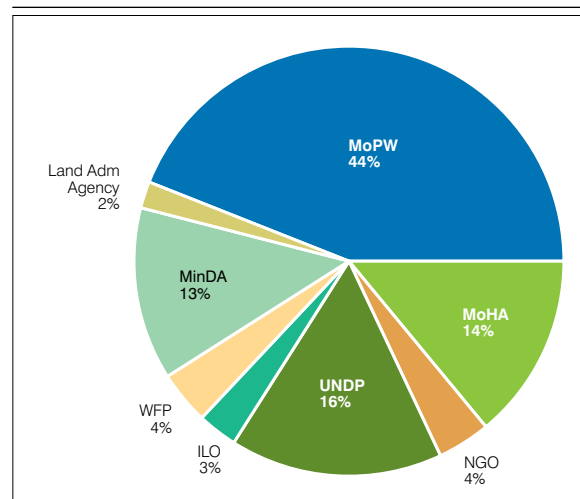
PHOTO: KRRP COLLECTION



**FIGURE 3.1: ALLOCATION OF FUNDS BY OUTCOME AREA**

including housing and community-level infrastructure, while projects in the four other outcome areas make up the remaining one-third of allocations. Funds are divided more or less equally amongst environment, economic development, enhanced recovery and capacity building/governance projects, each receiving allocations totaling between seven and nine percent of the total portfolio. Please refer to Figure 3.1.

**The Government of Indonesia is driving the reconstruction efforts, leading coordination and implementing most MDF projects.** The MDF has provided the government flexibility in the use of MDF resources to implement projects through a mix of implementation modalities that include government line ministries, NGOs, UNDP, ILO and WFP. About 73 percent of MDF funds have been channeled through the national budget of the government, with the bulk of these funds executed by the BRR and later by the Ministry of Public Works (MPW). Approximately 23 percent of MDF funds are managed in partnership with

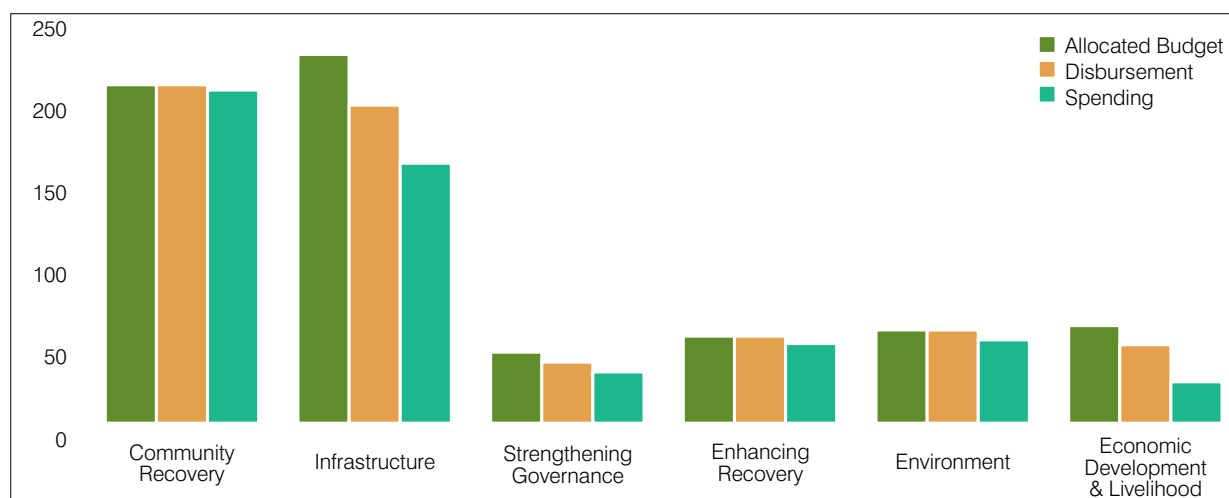
**FIGURE 3.2: IMPLEMENTING AGENCIES FOR MDF PROJECTS**

MoPW (Ministry of Public Works), MinDA (Ministry of Disadvantaged Areas), MoHA (Ministry of Home Affairs), UNDP (United Nations Development Programme), ILO (International Labour Organization), WFP (World Food Programme)

three United Nations agencies (UNDP, WFP and ILO), and the remaining four percent are managed in partnership with NGOs (Figure 3.2). The Indonesian Government has provided strong coordination and leadership during the reconstruction efforts, greatly contributing to widely recognized achievements that have led the reconstruction of Aceh and Nias to become an international model for post-disaster response.

## DISBURSEMENTS AND EXPENDITURES

**About US\$588.5 million has been disbursed to projects in the MDF portfolio as of September 30, 2011.** Total disbursements represent 91% of the allocated amount, as compared to 77% of disbursements at the same point in the last reporting period. Three outcome areas have achieved 100% disbursement: Recovery of

**GRAPH 3.1: ALLOCATION, DISBURSEMENT AND SPENDING PER OUTCOME AREA AS OF SEPTEMBER 30, 2011 (IN US\$ MILLION)**

Communities, as all projects under this outcome area have closed; Sustaining the Environment; and Enhancing the Recovery Process. The remaining three outcome areas—Infrastructure and Transport; Capacity Building and Governance; and Economic Development—have all been disbursed at 80% or more (see Graph 3.1).

**Annual disbursements to projects decreased to \$88.9 million this reporting period, compared to \$100 million during the last reporting period.** The disbursement rate is expected to continue to decline during the next periods as more projects complete their activities and close. About \$522.9 million has been spent on project activities, representing 89% of total disbursements. See Graph 3.1.

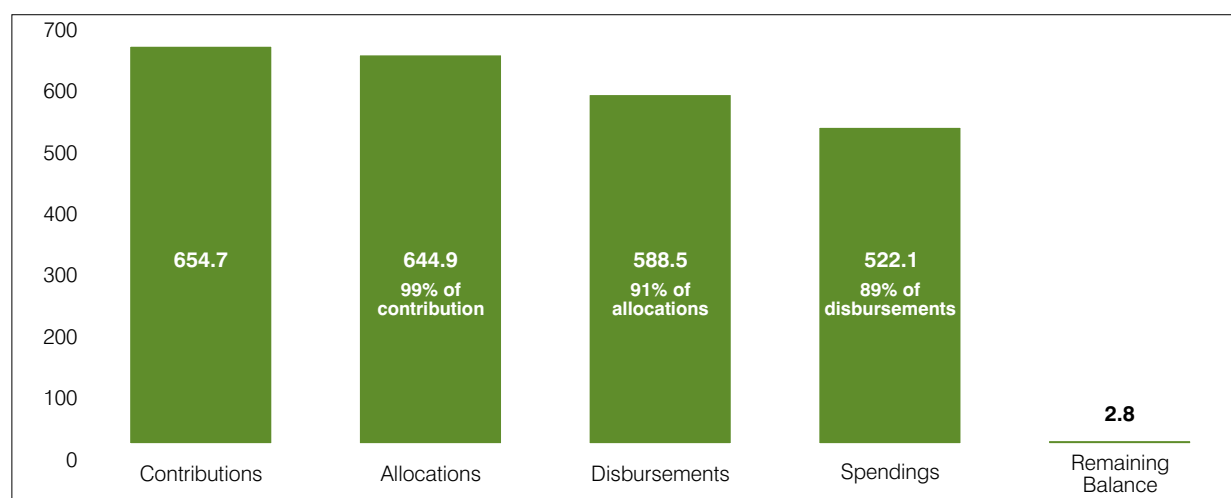
**Some projects with physical infrastructure components and late start up may extend the project closing dates until December 31, 2012.** Key infrastructure projects with physical activities will thus have increased time for

implementation, and correspondingly for disbursements and spending. Projects in the economic development and livelihoods outcome area which have started late will also have an opportunity to increase disbursement and spending by December 2012. The MDF relies on strong intergovernmental coordination, aggressive implementation by line ministries and agencies, together with strong supervision by all partner agencies, to ensure timely disbursement and spending in order to meet project objectives by project closing dates.

## FINANCIAL OUTLOOK

**Overall, MDF funds are fully programmed and the financial status of the MDF is robust.** The MDF has allocated 99% of contributions as of September 30, 2011. See Graph 3.2. All reprogramming of residual funds returned from closed projects will be completed in 2011, as further allocations after this date would not be

**GRAPH 3.2: OVERALL FINANCIAL STATUS OF THE MDF  
AS OF SEPTEMBER 30, 2011 (IN US\$ MILLION)**



feasible given the limited remaining time for implementation.

**Disbursements and expenditures are expected to decline during 2012 as all the projects come to closure.** Disbursements will be driven by the IRFF additional financing for the West Coast road, which is the largest project still under implementation. Remaining funds allocated to projects are expected to be disbursed by June 2012 as most projects close, with all spending completed by December 2012.

**Timely disbursement and spending will be the most important challenge during the remainder of program implementation.** As mentioned above, in order to meet project objectives by their planned closing dates, the MDF relies heavily on strong intergovernmental coordination, aggressive implementation by line ministries and agencies, together with strong supervision by all partner agencies. Delays in funds release, procurement processing, or project and program level decision making

will directly translate into reduced time for implementation, given the fixed closing date for the MDF program as a whole.

**Any unspent funds from projects will be returned to the MDF as projects close.**

Remaining unspent funds are currently forecast to be US\$2.8 million by program end in December 2012. However, this figure is likely to increase with the return of some additional unspent funds, which is normal as projects close. Unspent residual funds are expected to be returned to the donors.

## Feature Story 3

## ACEH BUSINESSWOMEN DEVELOP A TASTE FOR SUCCESS

*The Aceh Economic Development Financing Facility (EDFF), funded by a grant from the MDF, aims to create job opportunities and support post-tsunami economic recovery, sustainable economic growth and poverty alleviation. Local and international NGOs play the role of Sub Project Implementing Entities (SIEs). This sub-project, called PESAT (Integrated Social Economy in Aceh) is implemented by the Canadian Co-operatives Association (CCA), in partnership with a local NGO, PASKA. The project has established seven coops and 18 pre- coops, and has strengthened five existing coops. Six emping presses were distributed to women's groups and production has increased eight-fold since the project began.*

*Emping melinjo* are small crisp crackers with a bitter edge, made from the fruit of the *belinjo* tree. The ripe red fruit are boiled then pounded and dried into flat little disks that puff up a bit when fried for just a few seconds.

The women of *Koperasi Wanita Serba Usaha Hareukat Poma*, in the village of Beureuah, Pidie district are connoisseurs of *emping*. It's their business to be so.

Misra Laila, one of the coop members explains:

"We've developed new flavors by going to other places in Indonesia and researching the market. We experimented and tried out flavors like mocha, strawberry, pineapple, and chocolate. But then we realized that Acehnese people like the three traditional *emping*—plain, salty, and spicy! So we decided not to take the manufacturing of the new flavors onto a mass scale. We're very proud of our product. We don't use MSG or ready-made pastes. Because of this program, we now sell our *emping* to Medan and throughout Aceh"

The *Koperasi* is part of a bigger coop called KOPEMAS which consists of 14 smaller coops selling other produce like fish and rice. The members have been trained in cooperative management and financial management, as well as quality control, marketing and promotion. Thanks to the training they received in marketing, they were able to test and research products, and sell to a wider market.

Some of the women have been in the coop since 2008. Then the PESAT project, supported by MDF, approached them offering



Misra Laila says "The coop is predominantly women, but our business partners are men. Now, due to our training, we have the confidence to be equal business partners."

PHOTO: TARMIZY HARVA FOR MDF SECRETARIAT

to help build and strengthen the coop. Since joining the PESAT project in June 2010 the group has grown to 175 members.

Nur Hasna, the chair of this coop's committee, explains the impact the coop has had on the lives of the women in this area, and particularly younger women.

"When we left school, we didn't know what to do, didn't know how we would get a job, or whether we should just get married. Now we have choices. Now many of us run our own businesses."



As members of the coop the women not only sell directly to their coop instead of to middlemen, but they share in the profits, and can also borrow from the coop. According to the women, they have very few opportunities to borrow from anywhere else.

Rosmawar, the committee's young treasurer borrowed money from the coop to set up a kiosk where she charges people's cell phones. And, she shares happily, "With the money I also set up a *warung* and I have bought some land too."

With low interest rates and the ability to pay the loans back in installments, many women use the money for capital to set up small businesses such as small neighborhood shops, called *warung*. Others use the money to pay for hospital costs, or school fees.

Nur Hasna says, "We prioritize loans for small businesses because we know people will then have an income to repay, but we won't turn away people who need the money for urgent things."

Women benefit from more than just the financial opportunities from the coop. Misra Laila explains:

"I've benefitted a lot from the training in leadership and

gender equality. Now we go to meetings and the men look after the children! The coop is predominantly women, but our business partners, the middlemen, are men. Now, because of our training we have the confidence to be equal business partners with them."

Zarina—the supervisor who oversees the performance of the committee and reports to other coop members—agrees with Misra Laila.



Due to improved quality control, marketing and promotion, the women of *Serba Usaha Hareukat Poma Cooperative* now sell their *emping* across Aceh and in Medan.

PHOTO: TARMIZY HARVA FOR MDF SECRETARIAT

"Before we were in the coop we had no bargaining power. Ever since joining the larger coop KOPEMAS we don't need the middlemen as much."

The women report that their earnings have increased by 30-40 percent, from about 300,000 rupiah (US\$ 33) a month to 500,000 rupiah (US\$ 55) a month.

For them the benefit is not just financial; the women also cite their sense of satisfaction at feeling in control and being able to borrow, and to use their capital to strive for higher quality businesses and lives.

For example, Zarina borrowed money from the coop and now as well as making the *emping*, she also sells clothes. It would have taken her years to set up another business without the lending from the coop.

Zarina observes, "It's hard for women to earn incomes around here. Maybe because of the knowledge we've received in the coop, we have the courage to strike out on our own, not just making *emping* but running other businesses too. Now we have our own money. My husband has his business of salted anchovies, and I have my boutique! I'm very proud I can provide extra income for my family."

The sole man in the group is Lukman, who is employed as the manager and also looks after quality control. The women asked him to become manager, they explain, as they felt it was still easier for a man to go outside the village to market and sell their product. A lot of the women still need to gain more confidence, they admit. Men are still useful for some things, they laugh.



Patchouli seedlings (called *nilam* locally) ready to be planted in Alue Raya village, Aceh Jaya district. Projects such as this one implemented by Caritas Czech Republic under the EDFF are contributing to sustainable economic development for Aceh.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS AGENCY FOR MDF SECRETARIAT

## Chapter 4

### Looking Ahead: Bringing the MDF to Completion



**T**he MDF's support to the reconstruction of Aceh and Nias has moved into its final year, providing an opportunity for sustained engagement in Aceh. Through strong partnerships, remarkable results have been achieved in the recovery of communities, reconstruction of infrastructure, restoration of services and rebuilding of local institutions. MDF projects are on track for successful completion and the recovery efforts are widely considered to be a success. Thanks to visible tangible results in rebuilding lives and communities, the people of Aceh and Nias are able to look ahead to further economic growth and development.

**The MDF remains committed to continuing its support for reconstruction until the end of its mandate in December 2012.** Following its original phased strategy, the MDF portfolio is now mature with more than a third of the projects closed. Most of the remaining projects are in full implementation and preparing to close down in June 2012, while a few projects will continue until December 2012 in order to complete physical reconstruction works.

**All available MDF funds have been allocated to projects, and no further allocations are planned in the remaining period of the MDF.** The MDF has allocated 99 percent of contributions as of September 30, 2011. Allocations include not only the remaining balance from donors' initial contributions but also unspent residual funds that have been identified and reprogrammed as additional funds to existing projects during 2011. Reprogramming residual funds to existing projects has helped to ensure program sustainability, build local government capacity, and strengthen the foundation for future economic development of Aceh and Nias. Most of the allocated funds have been disbursed and will be spent on focused implementation to achieve project objectives during 2012.

**Any unspent residual funds from projects will be returned to the MDF as projects close.**

Unspent residual funds are currently projected to be US\$2.8 million when the MDF ends in December 2012. However, this number is likely to increase during the next year as some of the remaining projects may return additional unspent funds when they close. It is no longer feasible to reprogram any further unspent residual funds from projects as they close due to the short remaining time for project implementation. Unspent residual funds are therefore expected to be returned to the donors.

**Timely disbursement and spending will be the most important challenge during the remainder of MDF program implementation.** The MDF will rely heavily on the government for strong intergovernmental coordination and aggressive implementation, and on the partner agencies (UNDP, ILO, WFP and the World Bank) for strong supervision, in order to ensure project objectives are met by the project closing dates.

**The prospects for sustainability of MDF grants look good.** Sustainability of impacts and sound exit strategies are increasingly important areas of focus at the individual project level and for the MDF portfolio as a whole as the MDF nears closure. Transfers of MDF reconstruction assets will be mostly completed by the end of 2012, and the MDF has helped provide the government with tools to manage asset transfer after its closure. Physical works are of high quality and have incorporated disaster risk reduction in design and construction. Capacity building and the inclusion of communities in project planning and implementation laid the foundation for stronger management of reconstruction efforts and improved governance.



**Sustainable systems put in place through MDF projects will help to ensure long-term benefits after the program ends.** Projects such as the AFEP, TRWMP, SDLP, and DRR-A have established governance, management and service-delivery systems, both government and nongovernment, which are designed to function long after project support ends. MDF investments in physical infrastructure and human capital contribute to making Aceh and Nias more resilient to future disasters. Several projects are contributing to improved regulatory frameworks at provincial and district level in areas such as solid waste management, disaster risk management, governance, and spatial planning which will provide the legal basis for the continuation of the institutional systems put in place through MDF projects.

**Partnerships and links to government programs contribute to sustainable outcomes and ensure that the MDF's impact will continue to be felt beyond 2012.**

UNDP projects such as NITP and AGTP are smoothing the transition from reconstruction to development by building on UNDP's national strategy supporting the government's decentralization agenda. MDF projects that use the CDD approach are aligned with the government's ongoing national strategy for poverty reduction. These CDD projects (KDP, UPP, CSRRP-Rekompak, KRRP and SPADA) have rolled over into national programs under the government's PNPM umbrella. The provincial government continues to replicate the CDD approach under its current program to cover all 6,411 villages in Aceh. The community-

based approach for housing reconstruction developed under the CSRRP-Rekompak project in Aceh has been replicated and adopted by the national government for post-disaster housing reconstruction. Going forward, post-disaster response for housing by the GoI is expected to continue building on these strengths and further adapting the successful core principles initially introduced through the MDF CSRRP project.

**A secure and peaceful Aceh is recognized as an important legacy of the reconstruction and is essential to continued growth and development.**

The MDF operates in a unique context of post-disaster recovery layered upon a post-conflict environment. The central and provincial governments are providing continued attention to bridging Aceh's reconstruction and peace-building initiatives through mainstreaming conflict-sensitive economic development. The MDF has supported the government's agenda to the extent possible within its mandate by including conflict-sensitivity as

an important feature of project design. As reconstruction assistance slows down, it is very important to maintain focus on Aceh's growth and development to secure a peaceful future.

**The MDF is building a strong platform for future economic growth and development in Aceh and Nias.** The MDF's mandate is post-disaster reconstruction, and as such is not intended to provide solutions to address the long-term development challenges which Aceh and Nias face. Nevertheless, the MDF has worked to

*“The MDF offers valuable experience in implementation, building partnerships, and effective harmonization.”*





The Tjut Nyak Dhien Nursing Academy was built post-tsunami by BRR. The school, listed as an ex-BRR asset was transferred to the Department of Health since the provincial agency needed to start paying for operations and management. In 2012, AGTP will intensify its work with the transfer and management of some 1.4 trillion rupiah worth of assets.

PHOTO: UNDP COLLECTION

support the Government of Indonesia and provincial governments to “build back better,” thereby helping lay the foundation for future economic growth and development. The MDF’s two main economic development and livelihoods projects, the Aceh EDFF and the Nias LEDP, are designed to be a catalyst to economic growth in several key production sectors, with a focus on agriculture. These projects are building capacity of farmers, cooperatives, and other private sector organizations while creating models, pilots, and systems that can be built upon after the MDF ends. Examples of the kind of business linkages and spin-offs that create opportunities for economic growth are being seen as these projects mature.

**The MDF has made a major contribution to reconstruction of Nias and has helped to better position the islands for future development.**

The MDF has contributed approximately US\$115 million, about 18 percent of its total funds, for the reconstruction of Nias. MDF contributions are equal to about 30 percent of the total estimated damage and losses in the Nias islands from the disasters. Outcomes include more resilient communities, improved infrastructure, increased local government capacity and greater recognition of Nias’ unique local heritage as both a cultural and economic asset. These substantial investments in infrastructure and institutional capacity building are having a significant impact, although future economic and social development on Nias will likely continue to face challenges.

**Some MDF donors are considering ways to continue their commitment to Aceh through other mechanisms and bilateral programs after the MDF closes.** Most donors are in agreement that continued commitment in Aceh is important to ensure that contributions to reconstruction are sustainable and to support economic growth and peaceful development



A Manitou that was previously used for logistics support to the reconstruction through the SDLP project now operates in Sabang port. To ensure that MDF contributions bring long term benefits, local government capacity has been enhanced to better operate and maintain assets.

PHOTO: TARMIZY HARVA FOR MDF SECRETARIAT

through effective utilization of Aceh's own resources. The focus of future donor support outside the MDF framework will likely be on good governance, sustainable economic development and knowledge exchange support. Bilateral assistance to Aceh from MDF donors

is already supporting peace building initiatives, economic development, and environmental conservation.

**Lessons learned from the MDF's remarkable recovery and reconstruction effort will contribute to a lasting impact in Aceh and other post-disaster situations.** The MDF and the overall reconstruction of Aceh and Nias are already recognized as a success by the global community. The MDF offers valuable lessons regarding implementation, building partnerships, and effective donor harmonization. Models developed in Aceh such as the community-based housing and infrastructure project have already been replicated elsewhere in Indonesia for recovery from earthquakes and tsunamis and the eruption of Mt. Merapi, and are being incorporated into the Government's disaster-response strategy. This model has also

been applied in Haiti and in other international post-disaster contexts.

**Lessons learned from the implementation of the MDF's reconstruction and recovery program extend beyond post-disaster settings.**

The Indonesian Multi Donor Fund Facility for Disaster Recovery (IMDFF-DR), modeled after the MDF, will be a key channel for donor financing of disaster prevention and response

in the future. The MDF is working to document successes and learning gained about creating dynamic partnerships, governance, community empowerment, and how to build stronger institutions. Such learning will help to enhance the future development of Aceh and Nias, and can contribute to improved post-disaster response in other settings in Indonesia and around the world.



Students at Rigaih Middle School in Aceh Jaya district pose in front of their classroom. In the past seven years, more than 670 schools have been built through MDF's projects.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS AGENCY FOR MDF SECRETARIAT

## Feature Story 4

## ACEH'S MASTERS OF DISASTER SCIENCE

**Making Aceh Safer through Disaster Risk Reduction (DRR-A)**

*The DRR-A project, supported by a grant from the MDF, strives to make disaster risk reduction a normal part of the local development process. It does this by mainstreaming DRR into the core functions of Aceh's local government agencies, its public and private partners, local communities and families, and feeding into the provincial disaster management plan. The Tsunami and Disaster Mitigation Research Center (TDMRC) has been established at the University of Syiah Kuala to serve as a "think tank" on DRR for the Government of Aceh. The project has established a wide range of partnerships with government, media, NGOs and academia and is fostering ownership of the DRR agenda with all provincial agencies.*

It's Saturday morning at Syiah Kuala University in Banda Aceh and in a gleaming new white building on the bustling campus, a group of future Masters of Science are chatting between classes. Students spend all week working, mostly in government jobs, but on the weekend, this group of post-grads are dedicated to contributing to

reducing disaster risk in Aceh.

This multi-disciplinary post-graduate program is the first of its kind in Indonesia: while the program focuses on tsunamis, it covers everything from health to economics to the environment, all as they relate to disaster science.

"This is a new thing," said student H. Fuady Sulaiman, "That's why I enjoy it."

Fuady is a Member of Parliament in Aceh with a background in engineering. He had no plans for furthering his education until he heard of the new master's degree in disaster science, and he knew it was what he needed to do to improve his public service.

"Aceh is more advanced than other provinces," he said. "We have TDMRC (Tsunami and Disaster Mitigation Research Centre), and tsunami knowledge management, but it's all in TDMRC. We need to socialize it throughout the community."

With support from the MDF's Making Aceh Safer through Disaster Risk Reduction Programme (DRR-A), TDMRC and Syiah Kuala University began to develop the 18-month

program in late 2010, and in a few short months, TDMRC had established the curriculum, hired 35 lecturers, and started taking applications. Originally targeted for 20 students, the enrolment quickly swelled to 71 (24 women; 47 men) after receiving a much higher than expected response from its nation-wide advertisement drive.

In fact, the program has already initiated a partnership with the University of Twente in the Netherlands. Next year, students from both schools will "swap" campuses for six months and gain international exposure to disaster knowledge from a global perspective and fostering an exchange of data, knowledge and experiences.

"Our students are very excited," said Sri Adelila Sari, TDMRC's Disaster Risk Education Specialist and Secretary of the Master's Program. "It's the first in the country. Our disaster program is multidisciplinary. Everyone can come: scientists, engineers, medical professionals." People can be aware that they can take steps to reduce disaster risk from simple preparedness measures to developing improved systems for responses.





“The mindset of the community, parliament and the government has changed since 2004,” said master’s student, H. Fuady Sulaiman (centre left). “The paradigm regarding the approach to disaster is now more on preparedness and education.”

PHOTO: UNDP COLLECTIONS

Out of 71 students, 60 percent are government staff, most of whom work in the Disaster Management Agencies (BPBD/A) throughout Aceh. Other students are from local non-governmental organizations, Syiah Kuala graduates, and private citizens.

While the students are from a wide-range of backgrounds and skill-sets, they are set to become the program’s first graduates as disaster experts, a discipline that, according to Sri Adelila Sari, is desperately needed throughout Aceh’s government agencies. Currently, there is a lack of disaster experts in public office throughout Aceh and this program seeks to fill this gap.

“Every department should have disaster experts, at least one,” she said. By graduation, the students “will have the knowledge in disasters and they can influence others from

small communities to the government.”

This link between government and the community is something Fuady believes is vital to ensuring Aceh is safer and better prepared for potential disasters.

“Ideas come from the government, but ideas on disaster risk reduction (DRR) need to spread into the community; transfer knowledge to the people,” he said. “The knowledge is applicable.”



Children participate in a tree planting activity held by KRRP in Nias district as part of the project's environmental responsibility program. The MDF has helped better position Nias for future development.

PHOTO: KRRP COLLECTION

## Annexes/Project Portfolio





No.	Project	Funds Allocated Millions of US\$
<b>RECOVERY OF COMMUNITIES</b>		
1	Community-based Settlement Rehabilitation and Reconstruction Project (CSRRP or Rekompak)	84.97
2	<i>Kecamatan</i> Development Program (KDP)	64.70
3	Community Recovery Through the Urban Poverty Project (UPP)	17.45
4	<i>Kecamatan</i> -based Reconstruction and Rehabilitation Planning Project in Nias (KRRP)	25.75
5	Reconstruction of Aceh Land and Administration System Project (RALAS)	14.83
<b>RECOVERY OF LARGER INFRASTRUCTURE AND TRANSPORT</b>		
6	Banda Aceh Flood Mitigation Project (BAFMP)	6.27
7	Infrastructure Reconstruction Enabling Program (IREP)	42.00
8	Infrastructure Reconstruction Financing Facility (IRFF)	136.70
9	Lamno-Calang Road Maintenance Project	1.46
10	Sea Delivery and Logistics Programme (SDLP)	25.03
11	Tsunami Recovery Ports Redevelopment Programme (TRPRP)	3.78
12	Nias Rural Access and Capacity-building Project (RACBP)	11.80
<b>STRENGTHENING GOVERNANCE AND CAPACITY BUILDING</b>		
13	Capacity Building for Local Resource-based Rural Roads (CBLR3)	11.80
14	Support for Poor and Disadvantaged Areas Project (SPADA)	25.03
15	Support to Strengthen the Role and Capacity of Civil Society Organizations (CSO)	6.00
<b>SUSTAINING THE ENVIRONMENT</b>		
16	Aceh Forest and Environment Project (AFEP)	17.53
17	Tsunami Recovery Waste Management Programme (TRWMP)	39.40
<b>ENHANCING THE RECOVERY PROCESS</b>		
18	Technical Assistance (TA) to BRR and Bappenas	24.48
19	Making Aceh Safer Through Disaster Risk Reduction in Development (DRR-A)	9.87
20	Aceh Government Transformation Programme (AGTP)	13.98
21	Nias Islands Transition Programme (NITP)	3.89
<b>ECONOMIC DEVELOPMENT AND LIVELIHOODS</b>		
22	Economic Development Financing Facility (EDFF)	50.00
23	Nias Livelihoods and Economic Development Project (LEDP)	8.20
<b>TOTAL ALLOCATION TO PROJECTS</b>		<b>644.92</b>

## 1. COMMUNITY-BASED SETTLEMENT REHABILITATION AND RECONSTRUCTION PROJECT (CSRRP OR REKOMPAK)<sup>3</sup>

*The Community-based Settlement Rehabilitation and Reconstruction Project (Rekompak) provided grants to 130 village communities to rebuild and repair houses and rehabilitate their settlement infrastructure through a community-driven approach. The project met its objectives and closed successfully on April 30, 2010.*

Grant Amount	US\$85.00 million
Implementation Period	November 2005–April 2010
Partner Agency	The World Bank
Implementing Agency	Ministry of Public Works
Disbursements as of September 30, 2011	US\$84.97 million <sup>4</sup>

This project provided housing in 130 village communities. CSRRP was one of the few projects that also provided support to rehabilitate damaged houses. The project also developed a unique mechanism to cover renters. The project supported village communities in Aceh to jointly map and assess damage in their communities and identified construction needs for housing beneficiaries.

The Rekompak program has set a high standard for the reconstruction of housing and community infrastructure in post-disaster situations. It provided a platform for international partners to support the government's own agenda to rebuild communities, with communities themselves leading the way.

### Major Achievements

The project's community-driven approach proved effective in rebuilding houses within a limited timeframe and resulted in a strong sense of ownership from the beneficiaries. Block grants provided to communities enabled recipients to rebuild nearly 8,000 houses and repair almost 7,000 damaged houses in the 130 funded villages. More than 97 percent of the reconstructed and rehabilitated houses are occupied. Community Settlement Plans (CSPs), in which communities are involved in the process of planning for the reconstruction of their homes and infrastructure, were completed in 126 villages. CSPs also include a crucial disaster preparedness component. The project provided grants to rebuild community infrastructure

in 180 villages, directly benefiting more than 79,000 people with village roads, drainage systems, bridges, and public water and sanitation facilities. The project has strengthened capacities for local communities and economy through business and technical management training; stimulated the local economy through job creation; and encouraged the support of businesses through local procurement of construction materials.



*Air Pinang village in the Simeulue district. Pak Jabuddin's home, like others in this community, was rebuilt with help from CSRRP/Rekompak. The project has built over 15,000 homes in Aceh, using a community-driven approach that results in high beneficiary satisfaction.*

PHOTO: TARMIZY HARVA FOR MDF SECRETARIAT

Based on the successful implementation of Rekompak in Aceh, and other post-disaster situations following the earthquake in Central Java and Yogyakarta in 2006 and

in West Sumatra in 2009, the community-based model of housing and settlement reconstruction has been adopted by the Government of Indonesia as its policy for post-disaster reconstruction. A Bappenas study in 2005<sup>5</sup> and a project-commissioned beneficiary satisfaction survey conducted in 2008 showed that Rekompak delivered quality housing at up to 40 percent lower cost than projects that did not use a community-based approach.

Results as of project closing April 30, 2010	Achievements
Destroyed houses reconstructed	7,964
Damaged houses rehabilitated	6,999
Community Settlement Plans	126
Village roads repaired/constructed (km)	133
Irrigation and drainage repaired/constructed (km)	142
Clean water, water storage and wells (unit)	173
Short-term employment created (workdays)	7,800,535

<sup>3</sup> Rekompak is the acronym for the Indonesian translation of CSRRP: *Rehabilitasi dan Rekonstruksi Masyarakat dan Permukiman Berbasis Komunitas*.

<sup>4</sup> The small amount of unspent residual funds remaining at project closing were returned to the pool of MDF funds.

<sup>5</sup> The study was titled Findings of Post Construction Economic Impact Analysis Study for CDD Programs.



## 2. COMMUNITY RECOVERY THROUGH THE KECAMATAN DEVELOPMENT PROGRAM (KDP)

*The Kecamatan Development Program (KDP) provided block grants directly to villages for community-led reconstruction. Through this community-led process, KDP supported the restoration of community infrastructure in over 3,000 villages across Aceh and Nias. The project successfully completed its objectives and closed on December 31, 2009.*

Grant Amount	US\$64.70 million
Implementation Period	November 2005–December 2009
Partner Agency	The World Bank
Implementing Agency	Ministry of Home Affairs
Disbursements as of September 30, 2011	US\$64.70 million

The Government of Indonesia has recognized the advantages of community-based recovery programs as a fast and flexible mechanism to yield results leading to sustainable solutions. The MDF leveraged this successful community-driven development model through the pre-existing nationwide KDP program to channel funds and support community-led reconstruction and rehabilitation in Aceh and Nias following the earthquakes and tsunami.

### Major Achievements

Through the KDP, communities participated in planning for their own recovery, which has led to a strong sense of ownership and pride in the results. Communities determined priorities regarding tertiary infrastructure and economic and social support needs, and funds were allocated accordingly. KDP had a solid multilayered control mechanism to prevent corruption throughout the planning and implementation phases of village projects.

The majority of KDP funds went into block grants to subdistricts in the tsunami-affected areas. A democratic process determined which villages received funds and the amount to be disbursed to each subproject. Overall, the project provided planning, training and capacity-building support to over 6,000 communities in Aceh and Nias. Approximately 3,000 villages received MDF-financed block grants.

More than 90 percent of MDF funding disbursed through KDP block grants was used to build or repair local-level infrastructure, including village roads, bridges, schools, markets, health clinics, irrigation and drainage facilities, and provision of clean water. MDF funds were also used for social support needs such as microcredit,

scholarships, and emergency relief funds for families. Capacity building at the community level for local-level planning and management of reconstruction and future development activities was one of the most important outcomes of the project.

Over 29,000 people were involved in the community-planning process and received training. The project was particularly successful in empowering women to have a voice in community planning, with women accounting for about 45 percent of all participants in community-planning activities. KDP also contributed indirectly to community recovery by stimulating the local economy. Project funds stayed in the community as raw materials were purchased from local suppliers and community members were hired to undertake the construction activities.

KDP proved to be a cost-effective large-scale community recovery mechanism in post-disaster and post-conflict Aceh and Nias, allowing the communities to have a voice in identifying and planning for their own recovery. It also created synergies with other projects by serving as a vehicle for other development agencies and government institutions in delivering programs through its extensive coverage and network. The project has transitioned to the nation-wide PNPM Mandiri program which covers all villages in Aceh, with funding from central, provincial and local governments.

Results as of project closing December 31, 2009	Achievements
Roads repaired/constructed (km)	2,399
Bridges repaired/constructed (units)	932
Irrigation and drainage (km)	1,238
Clean water projects (units)	844
Water storage reservoirs (units)	180
Sanitation units (MCK)*	778
Village-level markets	26
School buildings	292
Health clinics/posts	11
Value of scholarships (US\$)	326,270
Number of recipients	6,074
Amount for loans (US\$)	1,415,460
Number of recipients	7,001
Number of businesses/ groups	554
Persons employed through subprojects	265,000
Workdays generated	3,500,000
Emergency relief funds (US\$)	4,369,310

\* MCK: Mandi, cuci, kakus: Public bathing, washing and toilet facilities

### 3. COMMUNITY RECOVERY THROUGH THE URBAN POVERTY PROJECT (UPP)

*The Urban Poverty Project (UPP) provided block grants directly to 273 communities to rehabilitate and develop community infrastructure in municipalities in Aceh. The project completed objectives and closed on December 31, 2009.*

Grant Amount	US\$17.96 million
Implementation Period	November 2005–December 2009
Partner Agency	The World Bank
Implementing Agency	Ministry of Public Works
Disbursements as of September 30, 2011	US\$17.45 million <sup>6</sup>

The Urban Poverty Project (UPP) provided block grants directly to 273 communities to rehabilitate and develop community infrastructure in municipalities in Aceh. The project completed objectives and closed on December 31, 2009.

Community participation informed all UPP activities. The project promoted a bottom-up participatory planning approach so that communities themselves identified their core needs for reconstruction and the revival of economic activities. Democratically elected neighborhood committees and volunteers conducted damage assessments, put together community development plans, and prioritized activities to be funded through the project. The empowerment communities experienced in the process was crucial to the success of the project.

#### Major Achievements

The primary beneficiaries of the project consisted of some 697,600 persons living in 402 Aceh *kelurahan* (urban neighborhoods) most severely affected by the tsunami and earthquake. The *kelurahan* communities benefited both directly and indirectly from social service assistance grants and improved community infrastructure and services, and participated in planning and implementing these activities through a community-driven development (CDD) process. Based on need, 273 of these 402 targeted *kelurahan* were selected to receive grants for the reconstruction and rehabilitation of community infrastructure.

Achievements in the reconstruction of physical infrastructure surpassed initial planned targets in many areas. The largest share of project-financed block

grants for community infrastructure was allocated to roads and bridges, drainage, and water. Nearly 39,000 households (about 48 percent of the population in the 273 *kelurahan* selected to receive block grants) received social assistance grants.

The project included a specific component for the empowerment of women, to ensure that women's needs were represented in the community planning and implementation of block grant-funded reconstruction activities. Women who participated in this program went on successfully to direct activities, administer proposals, submit accountability reports and manage relationships with other stakeholders.

The UPP project is one of several MDF-supported CDD projects that was integrated with and designed from the outset to transition into the Government of Indonesia's national PNPM Mandiri framework, in this case PNPM Perkotaan (National Community Development Program-Urban). The project was highly successful in assisting communities to prepare the community spatial plans required to mobilize additional funding from other CDD-type post-tsunami housing projects.

All community-level physical assets constructed under UPP such as roads, bridges, schools and health facilities have been handed over to communities or local governments. The project formulated training modules and standard operating procedures for post-project operations and maintenance (O&M), but ensuring a continued commitment to O&M after project closure is a common challenge across the Aceh reconstruction effort.

Results as of project closing December 31, 2009	Achievements
Roads repaired/reconstructed (in km)	231
Reconstruction of bridges (in meters)	1,380
Drainage (in km)	176
Clean water projects (units)	4,915
Waste disposal facilities	806
Sanitation units	405
School buildings*	159
Building of town/village hall	120
Health clinics/posts	29
Students receiving scholarships	3,430
Value of scholarship (US\$)	74,043
Workdays generated	1,124,126
Social aid funds (US\$)	1,218,374

\* In some cases only school furniture was provided, not the physical construction.

<sup>6</sup> Unspent residual funds are returned to the MDF pool of funds.

#### 4. KECAMATAN-BASED RECONSTRUCTION AND REHABILITATION PLANNING PROJECT IN NIAS (KRRP)

*The Kecamatan-based Reconstruction and Rehabilitation Planning Project in Nias (KRRP) provided block grants for the reconstruction of houses, schools, local government offices and other public infrastructure in Nias. The project closed in June 2011.*

<b>Grant Amount</b>	<b>US\$25.75 million</b>
<b>Implementation Period</b>	<b>February 2007–June 2011</b>
<b>Partner Agency</b>	<b>The World Bank</b>
<b>Implementing Agency</b>	<b>Ministry of Home Affairs</b>
<b>Disbursements as of September 30, 2011</b>	<b>US\$25.75 million<sup>7</sup></b>

KRRP has contributed to the recovery from the earthquakes and tsunami in 126 villages across Nias by supporting local level planning. KRRP has also supported management of community reconstruction, including rebuilding productive infrastructure and social services. The project built on the participatory planning process of other MDF-supported community recovery programs implemented in Nias such as the KDP. Both KRRP and KDP projects have closed and now transitioned into the national PNPM Mandiri - Rural program. KRRP also worked to enhance the capacity for sectoral planning of district governments.

##### Major Achievements

KRRP made an important contribution to the reconstruction of housing in Nias, having built nearly 4,500 homes – about 37 percent of the total number of houses reconstructed in Nias. KRRP filled gaps in housing reconstruction, targeting often difficult-to-reach areas that other reconstruction actors had not covered. The targets for the reconstruction of schools and village office buildings (100 each) were met or exceeded, and nearly 150 basic community infrastructure projects, including access roads, bridges, wells, and drainage systems, were completed under the project. The overall quality of construction is good, with appropriate measures taken to meet recognized construction standards for earthquake-prone environments. The cultural heritage preservation activities under the project support development of local curriculum materials and training of teachers and students in conjunction with the Nias Museum, and include visits to traditional



School children visit the Nias Heritage Museum in Gunung Sitoli, Nias district. The KRRP project promotes the preservation of cultural heritage through school curriculum and study tours.

PHOTO: MOSISTA PAMBUDI FOR MDF SECRETARIAT

villages. The project also addressed environmental concerns through its successful tree re-planting program. More than 110,000 seedlings of mahogany and

other species were planted by communities as part of the project's timber management plan for mitigating impacts of the reconstruction on the local forests.

Reconstruction in Nias has been particularly difficult. KRRP has filled gaps in reconstruction needs identified by the government and, as a result, the project works in some of the most remote and difficult-to-access parts of the island. Other challenges to reconstruction include the wet climate, frequent landslides, shortage of legally sourced timber, general poor quality of the island's infrastructure, and overall poverty. These challenges have also led to increased project expenditures given the high cost of transport for construction materials to these remote areas. The difficulty of recruiting and retaining qualified field facilitators, a critical ingredient to the success of all community-driven development projects, was also a challenge throughout project implementation. KRRP successfully addressed these challenges throughout implementation, delivering substantial results for communities in Nias by the time the project closed on June 30, 2011.

Results as of project closing June 30, 2011	Achievements
Houses	4,491 completed
Schools	100 completed
Village office buildings	110 completed
Basic village infrastructure (projects)	149 completed sub-projects

<sup>7</sup> Unspent residual funds are returned to the MDF pool of funds. Funds will be returned to the MDF and these funds have been reprogrammed to other existing MDF projects.

## 5. RECONSTRUCTION OF ACEH LAND ADMINISTRATION SYSTEM PROJECT (RALAS)

*The RALAS project assisted the government in the reconstruction of land property rights, development of a computerized land records management system, and reproduction of cadastral maps in post-tsunami Aceh. The project closed on June 30, 2009.*

Grant Amount	US\$28.50 million
Implementation Period	August 2005–June 2009
Partner Agency	The World Bank
Implementing Agency	National Land Agency (BPN)
Disbursements as of September 30, 2011	US\$14.83 million <sup>8</sup>

The objectives of RALAS were to support the reconstruction of property rights and issuance of land title certificates, assist in the reconstruction and development of the land institutions in Aceh, with aid to rebuild land administration systems in the province. RALAS addressed concerns regarding protection of property rights and provided training to local facilitators (including civil society representatives) on Community-driven Adjudication (CDA). In support of the reconstruction work, RALAS assisted the National Land Agency (BPN) in the adjudication and distribution of title certificates to land owners of parcels affected by the disasters. In addition, the project financed institutional development through the reconstruction of BPN offices and worked to strengthen the capacity of the BPN land offices through the automation and computerization of records.

### Major Achievements

Many important outcomes were achieved by the project despite the fact that it did not reach all of its targets for the distribution of land-titles. In addition to its specific contribution to restoring land rights and rebuilding the land administration system in the province, RALAS also made other important contributions in terms of expanding the understanding of legal rights related to land titling and ownership as well as the process for obtaining land titles. Training and capacity building in CDA supported by RALAS will continue to have an impact in terms of government delivery of land titling services. Perhaps most importantly, increased public awareness and understanding of land-titling procedures will impact



Pak Mukhaddis proudly showcases his land certificate. The RALAS project helped restore land rights by distributing more than 220,000 land certificates in Aceh.

PHOTO: TARMIZY HARVA FOR MDF SECRETARIAT

on demand for these services into the future, as well as the transparent delivery of such services. RALAS greatly contributed to the prevention of large-scale land speculation and the CDA approach facilitated the resolution of land disputes at the village level. The project also placed an important emphasis on protecting the property rights of women through joint land titling.

Project implementation issues were a challenge throughout the project's life. Weak management in the areas of oversight and direction setting, procurement, program planning, and monitoring and evaluation led to significant delays and affected overall implementation progress. Nevertheless, at closing, a total of 222,628 land title certificates had been distributed to land holders, of which 63,181 were issued in the name of women or jointly in the name of women. Cumulatively, BPN surveyed 275,945 land parcels and notified 272,912 land parcels. Project assessments found that beneficiaries who received land titles were highly satisfied.

Results as of project closing June 30, 2009	Achievements
Total number of land title certificates to be distributed (by December 2008)	222,628
Total number of land titles registered in the land book	238,758
Total number of land parcels publicly notified	272,912
Total number of land parcels officially surveyed	275,945
Total number of community land maps completed*	317,170

\* This data is estimated. Although data on land parcels adjudicated and community land maps produced are similar, it does not imply that all of the land parcels for which community land maps were produced would have been titled.

<sup>8</sup> Allocations to the project were revised at project closure to US\$14.83 million to take into account unspent residual funds which were returned to the MDF when the project closed.



## 6. BANDA ACEH FLOOD MITIGATION PROJECT (BAFMP)

*The Flood Mitigation Project for Banda Aceh re-established the functionality of the flood protection systems damaged by the tsunami in Banda Aceh. The project helps to protect the central business district of Banda Aceh against flooding caused by tides and heavy rains. The project achieved its objectives and closed December 31, 2009.*

Grant Amount	US\$6.50 million
Implementation Period	May 2006–December 2009
Partner Agency	The World Bank
Implementing Agency	Muslim Aid
Disbursements as of September 30, 2011	US\$6.27 million

Flooding from tidal incursion and heavy rainstorms present a constant challenge for Banda Aceh due to its location in a coastal flood plain. During the tsunami, the flood gates and pumping stations that mitigate the effects of flooding were destroyed, resulting in periodic tidal flooding of low-lying areas of the city, and leaving the newly reconstructed public and private assets prone to new damage. The project closely coordinated with the overall drainage and flood prevention reconstruction plan of the municipality, and has installed rubber flood valves and restored the pumping and drainage system in Drainage Zone Two.

### Major Achievements

In line with the long-term plans of the local government for Banda Aceh drainage, the BAFMP has helped protect the central business district of the city against flooding. Due to the flood protection that the project offered, the former residents of the flood-prone zone in northern Banda Aceh could quickly and efficiently rebuild their homes.

By project closing, the project had reached its objectives within the allocated budget. Construction had been completed on the three pumping stations, all flood valve installations, and drainage reconstruction and rehabilitation works. The project followed a phased implementation approach so that the community could benefit from partial impacts while implementation was underway. In early 2006, the project installed 11 flood valves to prevent tidal flooding and to drain one of the most flood-prone areas of Banda Aceh. This pilot valve program was successful in stopping tidal incursion within six months of startup. Partial protection against stormwater flooding was achieved after 15 months through cleaning and repairing the existing system, and



The Lampaseh water pump station helps keep the streets dry in Banda Aceh. The BAFMP project constructed flood gates and pumping stations to protect the flood-prone city.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS AGENCY FOR MDF SECRETARIAT

full protection against the storm flows estimated in the five-year design was reached in 2009 after the three new pump stations were constructed and

operational. The project overcame huge challenges as important data and records related to flood flows and hydrological conditions were lost during the tsunami.

To function properly the flood mitigation system depends on keeping the drains and valves free of accumulated garbage. Pilot waste management activities were initiated in several villages under the project to collect and remove household waste to municipal waste pick-up points. Motorized three-wheel waste collection vehicles are used in this process. To build local awareness and capacity, participating communities undertook a study tour of community waste management, composting and recycling projects. The waste management activities under this project are linked to the municipal solid waste management system initiated under the MDF's Tsunami Recovery Waste Management Programme (TRWMP). The project also worked closely with the TRWMP project to minimize duplication of activities and further enhance impacts. Training programs aimed at sustainability, which include system maintenance and operation, were successfully held for equipment operators.

Results as of project closing December 31, 2009	Achievements
Immediate flood reduction through flood valves	31 flood valves installed
Drainage system reconstructed Pumping stations Flood valves (Zone Two) Drainage (reconstructed/rehabilitated)	3 stations All flood valves in Zone Two 4.4km/12.3km
Vehicles handed over to local Sanitary Agency	28 three-wheeled waste collection vehicles

## 7. INFRASTRUCTURE RECONSTRUCTION ENABLING PROGRAM (IREP)

*The Infrastructure Reconstruction Enabling Program (IREP) provides strategic planning, designs physical infrastructure and gives infrastructure implementation support, enabling the coordinated reconstruction of infrastructure in Aceh and Nias. IREP closes in December 2011.*

<b>Grant Amount</b>	<b>US\$42.00 million</b>
<b>Implementation Period</b>	<b>September 2006–December 2011</b>
<b>Partner Agency</b>	<b>The World Bank</b>
<b>Implementing Agency</b>	<b>Ministry of Public Works</b>
<b>Disbursements as of September 30, 2011</b>	<b>US\$34.49 million</b>

IREP works to strengthen government capacity for reconstruction and continued development through technical support for strategic planning, project design, implementation and supervision as well as operations and maintenance for infrastructure projects. Technical teams design and review planned infrastructure at the national, provincial and district levels, and provide implementation support. The MDF's companion project, the Infrastructure Reconstruction Financing Facility (IRFF) and other sources fund the implementation of the designs.

### Major Achievements

IREP has provided support to infrastructure projects funded by the MDF through IRFF as well as those financed directly by the Government of Indonesia. IREP has prepared all 52 infrastructure packages implemented by IRFF and also provided technical input to central, provincial and district governments on the design and

implementation of infrastructure projects to be funded through other sources.

Further key responsibilities of IREP are to ensure that proper safeguard measures are integrated into project preparation and that the quality of the infrastructure works meets the specifications of the technical designs prepared. IREP provided bridging support to the design and supervision of the IRFF additional financing project until December 2011.

After the closure of the BRR, a Liquidation Team and a Supervisory Project Management Unit were formed to assist in the coordination of ongoing infrastructure activities for Aceh and Nias. IREP also contributes to the sustainability of the grant investments through continued technical and capacity-building support to government at various levels. IREP's original closing date was extended to provide continued support to IRFF until December 2011.

Results as of September 30, 2011	Achievements
Development of a sustainable and strategic long-term infrastructure reconstruction plan for Aceh and Nias	Completed in collaboration with IREP, BRR, and local government; plan was utilized throughout the project
Development of a Monitoring framework for Post-tsunami infrastructure reconstruction	Framework is complete and being applied
Proper safeguard measures are integrated into project preparation	All projects prepared by the World Bank as partner agency include safeguard frameworks and all projects implemented under IRFF adhere to the safeguards Framework



The Malahayati port is one of five ports designed under the IREP project. The parallel IREP and IRFF projects have played a key role in rebuilding and creating infrastructure networks essential for economic growth and development.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS AGENCY FOR MDF SECRETARIAT

## 8. INFRASTRUCTURE RECONSTRUCTION FINANCING FACILITY (IRFF)

*The Infrastructure Reconstruction Financing Facility (IRFF) provides funds for key infrastructure reconstruction projects in Aceh and Nias identified through the IREP. The project contributes to a strategic transportation network in Aceh and Nias in line with government priorities.*

<i>Grant Amount</i>	<b>US\$136.70 million</b>
<i>Implementation Period</i>	<b>March 2007–June 2012</b>
<i>Partner Agency</i>	<b>The World Bank</b>
<i>Implementing Agency</i>	<b>Ministry of Public Works</b>
<i>Disbursements as of September 30, 2011</i>	<b>US\$104.34 million</b>

The IRFF project provides flexible funding for the reconstruction of infrastructure in Aceh and Nias with an emphasis on filling gaps not covered by other sources. The project works in tandem with the MDF's companion Infrastructure Reconstruction Enabling Program (IREP). Infrastructure needs at the national, provincial and district levels are identified through the IREP framework and financed by the IRFF. Both IRFF and IREP strongly emphasize capacity building for local and provincial governments. Both projects supported the BRR transition strategy and, following the closure of BRR in 2009, project implementation was transferred to the Ministry of Public Works. The Government of Indonesia provided co-financing of US\$107.3 million for IRFF through the BRR.

### Major Achievements

The IRFF project finances a range of infrastructure reconstruction works which include national, provincial and district roads, bridges, ports and coastal protection and water systems of high quality. Through these works, IRFF contributes to the reconstruction of a strategic

transport network in Aceh and Nias, despite the many obstacles that the environment poses, including difficult conditions in mountainous areas, rain and flooding, and landslides. IRFF utilizes local infrastructure investment plans and the IREP strategy to identify possible projects for implementation. Environmental impact assessments and associated management plans ensure that environmental safeguards are in place.

IRFF is being implemented in two phases. The first phase ends December 2011, with 51 of 52 subproject packages now completed. The project's second phase, for which additional MDF financing of US\$37 million was approved in 2010, funds 49 kilometers of road construction along the west coast of Aceh. The work is implemented through four subprojects, including one bridge. All work under the second phase has been contracted and works are being mobilized. This strategic portion of road will complete the link between Banda Aceh and the North Sumatra border along the west coast.



*The 26km Sabang-to-Iboih Road is always busy. The IRFF project completed the road in 2009, improving access across the island and contributing to a significant increase in local economic growth.*

PHOTO: TARMIZY HARVA FOR MDF SECRETARIAT

Results as of September 30, 2011	Achievements	Value of Sub-Projects (Millions of US\$)
Phase One: Completed: (51 sub-projects)		175.75
National roads	7 (255 km)	31.9
Provincial roads	9 (316.6 km)	63.99
Kabupaten roads	20 (87 km)	17.24
Water systems & Coastal Protection	11	30.72
Ports	4 (5 ports)	31.90
Phase One: Under construction: (1 sub-project)		6.42
Kabupaten roads	1 (15.3 km)	6.42
Phase Two: Under implementation: (5 sub-projects)		32.26
National roads	3 (49 km)	27.83
Bridge (Kuala Bubon Bridge)	1	4.18
Consultant packages	1	0.25
Phase Two: Under preparation: (1 sub-projects)		3.06
Consultant packages	1	3.06



## 9. LAMNO-CALANG ROAD MAINTENANCE PROJECT

*The Lamno-Calang Road Maintenance Project maintained the 103 kilometer stretch of road from Lamno to Calang from November 2006 to December 2007. The objective of the project was to ensure uninterrupted overland access to tsunami-affected communities on the west coast of Aceh, thereby facilitating the reconstruction and recovery process, and promoting social and economic recovery. The project closed on December 31, 2007.*

Grant Amount	US\$1.46 million
Implementation Period	December 2006–December 2007
Partner Agency	United Nations Development Programme
Implementing Agency	United Nations Development Programme
Disbursements as of September 30, 2011	US\$1.46 million

Large portions of the road system, particularly on the west coast of Aceh, were damaged or destroyed by the 2004 tsunami. A key route is the Banda Aceh to Meulaboh road. In 2006 the stretch of road between Lamno and Calang was in critical condition as overloaded trucks and lack of maintenance often rendered the road impassable to traffic, especially during the rainy season. This project provided urgently needed continuous maintenance services to keep this major west coast corridor operational for a period of 13 months.

### Major Achievements

The Lamno-Calang Road is the main transportation route for materials to the west coast. The project's completion report submitted in 2008 highlights the critical importance of the project in the early phase of Aceh's reconstruction and rehabilitation efforts. The

maintenance work undertaken reduced the travel time between Lamno and Calang by half, from between six to eight hours to three to four hours. As a result, it is estimated that traffic increased by about 50 percent with additional vehicles diverting from other roads in worse condition.

An unforeseen benefit of the project was that the two major diversions provided much better access to the coast road for villages situated away from the coast road, and provided alternative, shorter routes for reaching Calang.

The use of hired equipment and day labor was appropriate and preferable to contracting out the work given the short time frame and uncertainty of the work required. Contracting village labor for manual work proved to be a cost-effective approach and increased local ownership of the road maintenance activity.

The lack of government funding, expertise and equipment needed to undertake this emergency maintenance work within the limited time frame when it was needed underscores the importance of this project. This project is seen as a great success and, although relatively small, a key investment in filling the gap in the reconstruction and recovery process.

Results as of project closing December 31, 2007	Achievements
Roads graveled (km)	52
Ditch excavation and lining (km)	132
Bridge decks repaired (units)	21
Bailey bridges installed (units)	4
Short-term local labor created (workdays)	3,000



The temporary road between Lamno and Calang forms part of the main link between Banda Aceh and the coast of West Aceh. The road was destroyed in the 2004 tsunami, but sees plenty of traffic nowadays. UNDP repaired 103km of the Lamno Calang Road in 2007.

PHOTO: UNDP COLLECTION



## 10. SEA DELIVERY AND LOGISTICS PROGRAMME (SDLP)

*The Sea Delivery and Logistics Programme (SDLP) filled a vital need during the reconstruction by supporting the transportation of reconstruction materials and other cargo to affected areas, including remote areas of Nias and Simeulue. Since 2007, the project has moved its focus to enhancing sustainability through comprehensive training programs for port management and logistics support.*

Grant Amount	US\$25.03 million
Implementation Period	February 2006–March 2012
Partner Agency	World Food Programme
Implementing Agency	World Food Programme
Disbursements as of September 30, 2011	US\$25.03 million

From 2005 to the first quarter of 2007, the SDLP provided a full shipping service with the primary goal of coordinating the transport and shipping of reconstruction materials. Once the shipping of goods had transitioned to the commercial sector, the project shifted focus to providing logistics support and capacity building for more effective port management.

The project offered logistics support and consulting services to the private sector, government agencies and humanitarian organizations operating in Aceh and Nias on a cost-recovery basis during later phases of the reconstruction, contributing to the continued effective operation of those programs. The SDLP is continuing its current focus on capacity building through training, technical assistance and in-depth capacity assessments, further investing in Aceh's transition to sustainable development. The project has been extended to March 2012 in order to incorporate Disaster Risk Reduction (DRR) activities in Aceh by strengthening the institutional capacity of the Aceh Provincial Disaster Management Agency (BPBA) and its Rapid Reaction Team (TRC).

### Major Achievements

Transportation of goods needed for tsunami reconstruction to remote destinations throughout the affected areas, including the islands of Nias and Simeulue, has been a major accomplishment of this project. The project transported a total of 98,185 metric tons / 256,006m<sup>3</sup> of relief and reconstruction cargo from its inception in 2006 to March 2007.

With the required reconstruction materials delivered to intended sites, the project shifted focus to training



SDLP evolved from the initial shipping service for reconstruction materials into capacity building for key port staff in Aceh and Nias. In the final stage the project is focused on sustainability by supporting disaster risk preparedness in key local institutions.

PHOTO: SDLP COLLECTION

programs to build necessary skills for safe and effective port management. Training modules in administration and support functions to the ports were developed based on international

curriculums, and training sessions commenced in December 2008. As a complement to the physical reconstruction of ports carried out through other MDF projects, the SDLP project trained key staff in the 18 main ports of Aceh and Nias.

The training was delivered with links to the Provincial Training and Human Resource Agency (BKPP) and the University of Syiah Kuala. Modules from the training are being incorporated into the postgraduate business degree programs at the university. Links with the university and the Ministry of Transportation have been maintained in order to enhance the sustainability of project initiatives. The DRR activities will build the Emergency Preparedness and Response capacities and capabilities of the Aceh's Provincial Disaster Management Agency (BPBA) and affiliated organizations.

Progress as of September 30, 2010	Achievements
Users of shipping and logistics services since project start:	1,095 records of logistics support given:
Government of Indonesia	561
United Nations agencies	221
Commercial Sector	168
NGOs	145
Reconstruction Materials Shipped (until December 2006, metric tonnes)	98,185
Monitored commercial cargo movement (since October 2006, metric tonnes)	1,200,925
Port management training sessions held	138 (2,063 participants)

## 11. TSUNAMI RECOVERY PORT REDEVELOPMENT PROGRAMME (TRPRP)

*This project helped to restore essential transportation networks after the tsunami and earthquake by providing physical designs and technical support for the reconstruction of major seaports and one river port. The redevelopment of these critical ports ensured that equipment and materials could be delivered to isolated areas for the rebuilding of communities and livelihoods during the early phase of reconstruction. The project was completed and closed on December 31, 2007.*

Grant Amount	US\$3.78 million
Implementation Period	March 2006–December 2007
Partner Agency	United Nations Development Programme
Implementing Agency	United Nations Development Programme
Disbursements as of September 30, 2011	US\$3.78 million

The Tsunami Recovery Port Redevelopment Programme (TRPRP) was designed in accordance with the overall port redevelopment strategy that was endorsed by the Aceh-Nias Reconstruction and Rehabilitation Board (BRR). During the early phase of reconstruction efforts, this project focused on the preparation of detailed designs, environmental impact assessments and economic feasibility studies for port reconstruction on the east and west coasts of Aceh. The project also improved the functionality of several ports through minor rehabilitation works in Sabang and the construction of temporary wharves in Calang and Sinabang. All activities were coordinated with the BRR, the provincial and district transport agencies, and the Department of Sea Communications, and complement work done in other ports of Aceh. Activities were also based on close consultation with communities and representatives of local fishers and other sea-related stakeholders.

### Major Achievements

The TRPRP project reached its objectives within the allocated budget by project closing. This project carried out assessments and studies of sea ports damaged or destroyed by the tsunami in Calang, Meulaboh and Sinabang, and a river port in Lamno, as well as developed plans for the redesign of these ports. In Gunung Sitoli the project reviewed a previous design so that works could be tendered.

Environmental impact assessments were completed for Calang, Sinabang, Gunung Sitoli, Meulaboh and Singkil ports. Economic feasibility studies were also completed



An engineer measures water depth at Sinabang Port, Simeulue district. TRPRP helped improve ports, construct temporary wharves, and complete designs for ports in Calang, Gunung Sitoli, Lamno, Meulaboh, and Sinabang.

PHOTO: UNDP COLLECTIONS

for these ports, as well as for the Kuala Langsa port. Temporary wharves in Calang and Sinabang were completed and handed over to BRR. These works enabled

better docking conditions and storage of cargo, and were mainly used by the World Food Programme (WFP) and NGOs operating in the surrounding areas.

The importance of rebuilding damaged ports was critical in opening up access routes in the immediate aftermath of the tsunami. This enabled the delivery of reconstruction materials and immediate emergency supplies to remote areas and underscored the critical importance of basic, albeit temporary, infrastructure networks in facilitating emergency response and initial reconstruction activities to affected areas.

For those affected, this early emergency response work was also a manifestation of the commitment of the government and donors to support the reconstruction, bringing hopes of progress, development and employment immediately after the disaster.

Results as of project closing December 31, 2007	Achievements
Design and assessments for ports completed	Designs completed for 4 ports Environmental impact assessments undertaken at 5 ports Economic assessments undertaken at 6 ports
Roads graveled (km)	5 km
Functionality of ports improved Landing sites Temporary wharves	1* 2

\* Scope was reduced (no works in Balohan) since local government had taken up the works.

## 12. NIAS RURAL ACCESS AND CAPACITY-BUILDING PROJECT (RACBP)

*The Rural Access and Capacity-building Project (RACBP) focuses on the cost-effective and durable improvement of the rural transport network in selected economic cluster areas in Nias through the rehabilitation, reconstruction and maintenance of core road links. The project is being extended to December 2012.*

Grant Amount	US\$11.80 million
Implementation Period	October 2009–June 2012
Partner Agency	International Labour Organisation (ILO)
Implementing Agency	International Labour Organisation (ILO)
Disbursements as of September 30, 2011	US\$11.80 million

\* It is expected that the RACBP will be extended to December 2012

The Nias-RACBP project aims to improve and sustain strategic rural roads in order to improve access to economic and social services and facilities for communities in the targeted areas. The project is part of the MDF's last group of projects that are aimed at restoring livelihoods and contributing to sustained economic growth. The Nias-RACBP, together with the Nias-Livelihoods and Economic Development Project (LEDP), work together to promote economic development through a two-pronged approach of investing in agricultural productivity and improving access to rural areas. The projects target communities in three strategic agricultural/economic clusters across 21 sub-districts. In December 2010, additional financing was endorsed to scale up activities so that both LEDP and RACBP covered in the same districts.

Local resource-based approaches are being employed to build trails and roads, using environmentally-friendly construction methods that require minimal maintenance. Capacity building and on-the-job training for local government and communities are key elements of the project. The project's cultural heritage subcomponent seeks to enhance public awareness and ownership of Nias' unique cultural heritage, facilitates preservation and sustainable use of valuable cultural heritage assets, and to preserve traditional construction techniques.

### Major Achievements

The project mid-term evaluation concluded that the RACBP is a well designed and managed project that is making a positive contribution to the life of the rural poor in Nias. Training, planning, and capacity



A training for supervisors following the local-resource based approach teaches both men and women to oversee trail and road building in the Nias Islands. Capacity building and on-the-job trainings are key elements of the RACBP project.  
PHOTO: ILO COLLECTION

building, as well as physical construction activities, are ongoing. The training of site supervisors in the construction of roads using the local resource-based approach was completed in January 2011 and the participants continued with an apprenticeship program. Physical works on the first and second batch of roads

and trails are underway, as well as the rehabilitation of selected heritage sites.

The capacity of local governments in Nias to maintain the infrastructure assets built by the project is a challenge for sustainability, both in terms of technical capacity and funding resources. This is especially true since Nias recently divided its two districts into four districts and one municipality. The geographic and climatic conditions of the Nias Islands also present obstacles to road works and these have been considered in the work plan prepared by the project.

Progress as of September 30, 2011	Achievements
Construction works:	
All weather access districts roads and motorbike trails (km)	6.25 km of roads and 27.33 km of motorbike trails completed; 12.37km of roads and 44.80km of motorbike trails under construction (100 targeted)
Small bridges and river crossings (meters)	1,096 meters identified; 833 meters under construction
Routine maintenance on district roads (km)	Not yet started (170 km targeted)
Training and Capacity Building:	
On-the-job training (training days)	14,295 training days completed (20,600 targeted)
Classroom training (training days)	1,955 training days completed (2,200 targeted)



### 13. CAPACITY BUILDING FOR LOCAL RESOURCE-BASED RURAL ROADS (CBLR3)

*The Capacity Building for Local Resource-based Rural Roads (CBLR3) project builds the capacity of local governments and contractors to construct and maintain roads with low-technology methods. It rehabilitates district roads in five districts in Aceh and Nias, drawing on local resources and creating short- and long-term employment opportunities. The project has been extended until August 2012.*

Grant Amount	US\$11.80 million
Implementation Period	March 2006–August 2012
Partner Agency	United Nations Development Programme
Implementing Agency	International Labour Organisation
Disbursements as of September 30, 2011	US\$11.80 million

The CBLR3 (or ILO Roads) project trains local governments to manage the effective reconstruction and maintenance of district-level roads, and small contractors to build roads with cost-effective local resource-based methods. Contracting the local workforce and using appropriate road construction technologies and work methods enables contractors to compete for road construction and maintenance works during the recovery process and beyond. CBLR3 is being extended to August 2012 to put in place a sustainable exit strategy that focuses on strengthening an enabling environment in Aceh to institutionalize the local resource-based (LRB) approach. In Nias, the LRB approach is also being used in the MDF's Rural Access and Capacity Building Project implemented by the ILO.

#### Major Achievements

The CBLR3 project has shown good results in strengthening the capacity of district governments and small-scale local contractors to undertake LRB road works. District-level Department of Public Works staff in Pidie and Bireuen have started using LRB worksheets and mechanisms in road surveys for government-funded works. The training program emphasizes an objective contracting system and quality assurance; this results in transparent bidding processes and improved quality of road supervision.

The project also introduces techniques, standards, systems and strategies for LRB road works adapted to conditions in Aceh and Nias. The improved ability of local contractors and public works staff and supervisors to apply the LRB approach has resulted in better quality outputs. District public works staff has adopted LRB



Community members employed through local contractors work on the ILO Roads project. The labor intensive road works use a local resource-based approach. PHOTO: UNDP COLLECTION

manuals, applied LRB methods in designated non project-funded roads, and used road quality testing methods.

CBLR3 uses a gender inclusive approach to strengthening community participation in rural road development and maintenance. Eighteen women's groups were organized for road rehabilitation activities in four districts. In addition, 25 women participated in routine maintenance work carried out by the 12 community maintenance groups from Pidie and Bireuen. The project has worked together with the PNPM program to build capacity of Community Project Implementation Teams in Aceh and Nias to carry out routine road maintenance with good results.

The project is being extended to provide a window to further institutionalize the LRB approach within the various district government agencies and to expand the approach to sectors other than road to sustain benefits beyond the project life. By May 2011, most of the road assets created by CBLR3 since 2006 were handed over to the respective local governments.

Results as of September 30, 2011	Achievements
Total roads rehabilitated (km)	154.6
Total roads maintained (km)	229.5
Number of local contractors trained	341
Number of local government staff trained	178
Workdays created (% women)	410,345 (23.9% in Aceh, 31.5% in Nias)



## 14. SUPPORT FOR POOR AND DISADVANTAGED AREAS PROJECT (SPADA)

*SPADA strengthens district government capacity to incorporate bottom-up planning and needs analysis into Rural district planning and budgeting. SPADA links the participatory subdistrict planning process of PNPM Mandiri Perdesaan to district government planning processes and, decision making, and provides block grants to improve public services and budgeting for the recovery of basic infrastructure and health and education. The project closes in December 2011<sup>9</sup>.*

<b>Grant Amount</b>	<b>US\$25.60 million</b>
<b>Implementation Period</b>	<b>February 2007–December 2011</b>
<b>Partner Agency</b>	<b>The World Bank</b>
<b>Implementing Agency</b>	<b>Ministry for the Development of Disadvantaged Areas (KPDPT)</b>
<b>Disbursements as of September 30, 2011</b>	<b>US\$20.21 million</b>

This project provides block grants to districts in Aceh and Nias to fund projects identified for subdistricts through the KDP/PNPM planning mechanism. SPADA works to strengthen the capacities of district governments and promote economic development through infrastructure investments. SPADA is a national program implemented in poor and disadvantaged areas across Indonesia, with MDF providing funds only for the Aceh and Nias part of the program.

### Major Achievements

SPADA provides block grants of up to US\$50,000 per district to 19 districts to support projects emerging from the subdistrict planning process that contribute to reconstruction, reconciliation, and development. Thirty percent of these grants are reserved to support quality improvements in health and education. As of September 30, 2011, a total of 1,738 subprojects in health, education, and infrastructure were completed in Aceh and Nias—reaching 99 percent of the total proposals over the 4-year period from 2007 to 2010. SPADA involved vulnerable groups, especially women, in the community-planning process and training activities at a rate of 30 percent, and up to 50 percent in some locations.

All project objectives have been met. A total of 14,677 health workers have been trained and about 5,134 educators have benefited from the project. In addition, 679 community infrastructure subprojects have been implemented that address priority needs from water

supply to bridges. Business-government forums assessed obstacles to local private sector development in five districts and as a result, new business registration has increased.

SPADA provided funding to expand the USAID-financed Local Governance Support Project (LGSP) to build capacity in ten Aceh districts on local development planning and budgeting. Implementation of the SPADA Economic Governance in Aceh (SPADA-EGA) component, co-funded by the MDF and the Department for International Development (DFID) and implemented by the Asia Foundation, has improved the local business climate in the targeted districts.

Progress as of September 30, 2011	Achievements
Participatory planning processes being used for budgeting and financing of development activities at district level	100% of districts now participate in Gol's participatory planning and budgeting process ( <i>musrenbang</i> ).
Infrastructure subprojects constructed	Roads (376 units/97 km) Bridges (87 units/7 km) Drainage (192 units/10 km) Irrigation (23 units/2 km) Clean Water (94 units)
Education/ health activities implemented (focus on improving the overall quality of services)	Health: (total subprojects 469) Training (301) Rehabilitated Health Clinics (29) Other (nutrition program, health information, books) (139) Education: (total subprojects 520) School-based management and other training (200) School Rehabilitation (125) School Equipment (185) Scholarships (10)



School children enjoy improved access to education services. The SPADA Project in Aceh and Nias contributes to the government's efforts to develop rural poor and disadvantaged areas to create economic development and improved services for its citizens, particularly in health and education.

PHOTO: MDF SECRETARIAT

<sup>9</sup> Due to budget delays and other problems, some block grant funds could not be distributed, resulting in savings of US\$4.2 million. These unspent funds have been returned to the MDF for reprogramming.

## 15. SUPPORT TO STRENGTHEN THE ROLE AND CAPACITY OF CIVIL SOCIETY ORGANIZATIONS (CSO)

*The Civil Society Organizations (CSO) project built the technical and organizational capacity of Nongovernmental Organizations (NGOs) and Community-based Organizations (CBOs) in Aceh and Nias. Small grants enabled NGOs and CBOs to engage in demand-oriented reconstruction activities. The project closed on May 31, 2010.*

Grant Amount	US\$6.00 million
Implementation Period	December 2005–May 2010
Partner Agency	United Nations Development Programme
Implementing Agency	United Nations Development Programme
Disbursements as of September 30, 2011	US\$6.00 million



Community members install a water pipe for an artesian well in Simeulue. Grants from the CSO project were used to improve community facilities and to strengthen the capacity of local CSOs and CBOs in Aceh and Nias. PHOTO: UNDP COLLECTION

The CSO project strengthened the capacity of CSOs and CBOs in Aceh and Nias. Civil Society Resource Centers (CSRCs) established through the project in Aceh and Nias provided a platform for local governments

and CSOs to interact. CSOs/ CBOs were encouraged to participate in training and compete for small grants to support initiatives such as restoring basic social services, women's empowerment and income-generating activities.

### Major Achievements

The CSO project established an effective institutional setup to facilitate consultation and cooperation among stakeholders and proponents for the enhancement of CSOs' roles in the rebuilding of post-disaster Aceh and Nias. One Provincial Coordinating Team and 13 Technical Working Groups were established in Aceh, while two District Coordinating Teams were formed in Nias. These bodies were involved in the selection of proposals,

monitoring of project implementation, and facilitating community-based monitoring of reconstruction activities.

The CSO project was instrumental in establishing two CSRCs: IMPACT in Aceh and FORNIHA in Nias. These CSRCs have enabled civil society and organizations to more effectively communicate their individual and institutional needs, and the community now has a platform through which to lobby government on development priorities and needs. Through training and coaching, the CSRCs have created extensive CSO networks in both Aceh and Nias, with a roster of more than 100 trained facilitators readily available for rapid response deployment.

The project trained more than 200 CSOs/CBOs in Aceh and Nias in a set of community development "competencies" which included monitoring of rehabilitation and reconstruction activities, project management, strategic planning, leadership, and gender-related issues. CSOs introduced community-based monitoring which facilitated the monitoring of the rehabilitation and reconstruction process by communities, and created a space for communities and government to interact on issues and problems encountered during reconstruction.

Small grants to CSOs have enhanced basic social services, income generation, and women's empowerment. In some cases the small grants were used for community social facilities, including early childhood centers in Nias and Aceh and a public well in Nias. Other small grants facilitated increased income in communities through various economic activities such as goat farming, handicraft production and chili farming in Aceh, and cocoa farming and pig raising in Nias. Overall, the CSO-supported women's activities have improved the quality of life of participants and provided the financial and social capital necessary to allow them to develop their potential in planning, decision making and income generation.

Results as of project closing May 31, 2010	Achievements
Small grants provided/value of grants	142/US\$2,380,477.34*
Beneficiaries of livelihood grants	33,398 (14,764 women)
CSRC staff trained (training of trainers)	83 (25 women)
CSO staff trained	1,100 (324 women)

\* Based on the final value of the 142 small grant initiatives at the end of the project

## 16. ACEH FOREST AND ENVIRONMENT PROJECT (AFEP)

*The Aceh Forest and Environment Project (AFEP) helps protect Aceh's Leuser and Ulu Masen forest ecosystems from illegal logging. The protection of this 3.3 million hectare area will safeguard not only the water supply of approximately 60 percent of Aceh's population but also Southeast Asia's richest remaining source of biodiversity.*

<b>Grant Amount</b>	<b>US\$17.53 million</b>
<b>Implementation Period</b>	<b>February 2006–March 2012</b>
<b>Partner Agency</b>	<b>The World Bank</b>
<b>Implementing Agency</b>	<b>Leuser International Foundation (LIF) and Fauna and Flora International (FFI)</b>
<b>Disbursements as of September 30, 2011</b>	<b>US\$17.53 million</b>

The AFEP works in Aceh's Ulu Masen and Leuser ecosystems to mitigate the negative impacts of reconstruction on the forests of Aceh, mainstream environmental concerns into Aceh's overall planning process, and build sustainable capacity and institutions for forest protection. The project builds the capacity of government forest and park management agencies and strengthens community awareness and capacity to monitor and protect forest resources. It also works to protect and improve the livelihoods of communities in the forest areas through mitigating human-wildlife conflicts and supporting livelihood development activities.

### Major Achievements

The project has completed implementation on most of its field activities, including monitoring and reporting illegal forest activities, training and equipping forest and community rangers, mitigating human-wildlife conflicts, and strengthening forest management capacity. The Community Ranger program that provides environmentally friendly alternative employment to ex-combatants, illegal loggers and poachers in the Ulu Masen area is being continued through support from district governments and other donors. Conservation Response Units (CRU) for the mitigation of human-wildlife conflict, particularly protecting farmers' crops from wild elephants, continue in both the Ulu Masen and Leuser forest areas with external support.

The project promotes effective protection and sustainable management of the Leuser and Ulu Masen forests. More than 40 local-level agreements on forest monitoring and conservation have been developed with



A student eco-club learns about the Ulu Masen ecosystem. AFEP works to strengthen environmental awareness. The project has developed curriculum and teaching materials and established student eco-clubs with over 6,100 members across Aceh.

PHOTO: AFEP COLLECTION

project support. More than 600 forest guards received training through the project, and more than 60 conservation agency staff received advanced training in forest crime prevention and detection. Multi-

stakeholder monitoring and law enforcement networks created under the project continue under the leadership of the local government.

The project has significantly contributed to Aceh's spatial planning process, ensuring that environmental considerations are integral to these plans. AFEP has supported the provincial government's "Aceh Green" initiative in identifying sustainable funding mechanisms for Aceh's long-term sustainable development.

AFEP has developed curriculum and materials on environmental awareness for schools, trained teachers, and established student eco-clubs with over 6,100 members across Aceh. The project has initiated community nurseries to improve sustainable tree-crop based livelihoods. These activities are being transferred to local partners to ensure sustainability.

Progress as of September 30, 2011	Achievements
Spatial plans drafted with environmental and conservation inputs reflected	1 Province, 7 Districts
Local level agreements and legislation on forest management and conservation developed	Ulu Masen: 19 <i>Mukim</i> Leuser: 27 <i>Gampong</i>
School teachers trained and provided with environmental and conservation curriculum materials	1,007 (65% women)
Nurseries established and operational	55
Forest area replanted/restored (in hectares)	5,238
Human-wildlife conflict protocols prepared	2 (1 for tigers, 1 for elephants)



## 17. TSUNAMI RECOVERY WASTE MANAGEMENT PROGRAMME (TRWMP)

*The Tsunami Recovery Waste Management Programme (TRWMP) builds capacity in local government to clear, recycle and dispose of tsunami waste; implements sustainable waste management systems that benefit the environment through the collection, recovery, recycling and safe disposal of waste materials; and promotes waste management-related livelihoods. The project's closing date has been extended to June 30, 2012.*

Grant Amount	US\$39.40 million
Implementation Period	December 2005–June 2012
Partner Agency	United Nations Development Programme
Implementing Agency	United Nations Development Programme
Disbursements as of September 30, 2011	US\$39.40 million

TRWMP was designed to provide a coordinated response to the public health and environmental concerns associated with both tsunami/earthquake debris and municipal solid waste management during the rehabilitation and recovery of Aceh and Nias. The program focuses on tsunami waste collection and land clearance, capacity building of local municipal solid waste departments and creation of livelihood opportunities based on sustainable waste management. It has been funded and implemented in three phases. Phase Three is now extending capacity-building activities to ensure that sustainable solid waste management infrastructure and services are in place after the project closes. This pioneering initiative highlights a sector that has so far received insufficient attention in Indonesia.

### Major Achievements

The project's early work focused on disaster recovery activities, including clearing debris and recovering recyclable materials for use during the rehabilitation and recovery process, and resuming municipal waste collection across eight districts in Aceh and Nias to reduce potential environmental and health-related risks. Once the early recovery activities were complete, the program shifted focus to build sustainability into program interventions and expanded coverage to a total of 13 districts.

Now in its final phase, the project continues to support capacity building for local governments on solid waste management as well as the design and construction of priority permanent landfills across Aceh and Nias. Detailed engineering design (DED) packages for construction have been prepared for two regional

landfills and eight district landfills. The regional landfill for Banda Aceh and Aceh Besar at Blang Bintang has been contracted and initial preparatory work has commenced. Selection of the four district landfills to be constructed under the project in partnership with national and provincial public works agencies is underway, and additional district landfills for which DEDs have been prepared under the TRWMP are expected to be constructed with government funds in future years.

The TRWMP continues to support waste-management related livelihood activities to increase economic benefits of recycling and decrease the overall volume of waste created in Aceh and Nias. Through its waste-based livelihoods approach, TRWMP has created a climate where the private sector and public sector collaborate towards an improved solid waste management system. The project has produced positive results in the rehabilitation of farming livelihoods in Aceh Jaya and Aceh Besar through its land clearance initiatives. With the active involvement of communities the project has helped to clear tsunami debris and sediment from more than 1000 hectares of agricultural land, allowing farmers to replant their fields and resume their pre-tsunami livelihoods.

TRWMP partners with UN-HABITAT to deliver capacity-building training for local government on solid waste management. The project initiated a pilot fee-for-service scheme for municipal garbage collection, with a total of 37,733 households participating. Two districts, Pidie and Aceh Utara, have developed *Qanun* (local regulations) on solid waste management that are now in the local parliamentary approval process, and other TRWMP-supported districts have been inspired to begin drafting their own *Qanun*.

Results as of September 30, 2011	Achievements
Number of dumpsites closed or upgraded to sanitary landfills	10
Number of detailed engineering designs for the construction of permanent sanitary landfills completed	1 (8 under preparation or in draft)
Percent of households paying for waste collection in pilot areas	29%
Percentage of (volume) of Aceh's solid waste which goes to recycling	21%
Number of small & medium enterprises (SME) with sustainable livelihoods created in waste management sector	263



## 18. TECHNICAL ASSISTANCE (TA) TO BRR AND BAPPENAS

*The Technical Assistance (TA) to BRR and Bappenas Project supported the BRR to efficiently enact its mandate to plan, implement, supervise and coordinate the recovery process through providing technical support and key services until the closure of BRR in April 2009. The project was extended to December 31, 2012 to provide support to Bappenas in its coordination role as well as to assist the provincial Bappeda in Aceh and North Sumatra to coordinate and complete the remaining rehabilitation and reconstruction efforts in Aceh and Nias.*

Grant Amount	US\$24.48 million
Implementation Period	July 2005–June 2012
Partner Agency	United Nations Development Programme
Implementing Agency	BRR (to April 2009), Bappenas (since April 2009)
Disbursements as of September 30, 2011	US\$24.48 million



A RAN Database training in Banda Aceh. The database helps monitor and coordinate rehabilitation and reconstruction continuation activities funded by various agencies. This Management Information System was established by BRR and has been further developed by Bappenas.

PHOTO: TA TO BRR AND BAPPENAS COLLECTION

The TA to BRR Project was initially designed to provide rapid assistance to BRR for its technical and operational needs in supporting the overall reconstruction. The project supported the BRR from July 2005 to April 2009.

In May 2009 the project was renamed the TA to BRR and Bappenas Project to reflect the handover of the coordination function for the post BRR rehabilitation and reconstruction (R&R) efforts in Aceh and Nias to Bappenas. In February 2010, the Steering Committee endorsed the project specifically to support Bappenas and the Bappedas of Aceh and North Sumatra to enhance coordination, monitoring and evaluation of the Aceh-Nias Reconstruction Continuation Action Plan 2010-2012. This project period is also known as the Technical Support to the Rehabilitation and Reconstruction Completion and Continued Coordination (TS to R2C3) Project.

### Major Achievements

Until April 2009 the project provided technical assistance and operational support to BRR to achieve its mandate in a transparent and timely manner. This included development of policies and the legal framework for the overall rehabilitation and reconstruction of Aceh and Nias, as well as the development of tools and capacity for monitoring the implementation of the overall reconstruction program. The project has supported the development of 217 strategies/policies/guidelines, reviewed 192 proposals, and monitored 284 projects.

Most planned activities in support of BRR were completed by its closure in April 2009 but support continued for the completion and operation of three key management information systems (MIS) for the Aceh-Nias recovery program. The RAND (Recovery of Aceh-Nias Database) provides a data repository to monitor and coordinate R&R activities funded by external organizations. The Knowledge Management Center (KNOW) preserves information on, and captures lessons learned from, the R&R efforts in Aceh and Nias carried out by the government, donors, and other stakeholders. The Regional Financial Management Information System (*Sistem Informasi Pengelolaan Keuangan Daerah*, or SIMBADA) is the asset management information system to track assets created during the R&R process in Aceh and Nias. Bappenas is the custodian of these systems to ensure each has a relevant home for continued operations and maintenance to preserve and disseminate knowledge and data produced during the recovery efforts in Aceh and Nias.

TA to BRR and Bappenas also provided technical assistance to develop and pioneer the streamlined process to perform environmental impact assessments. The clustering of environmental assessments related to the R&R work in Aceh is particularly relevant in meeting local development needs as well as setting future national standards for environmental planning and development processes.

The project supported finalization of the Action Plan 2010-2012, a legal document that was endorsed by the Governors of Aceh and North Sumatra. The project currently provides support to Bappenas and Bappeda Aceh and North Sumatra to enhance the coordination, monitoring and evaluation, and implementation of the Action Plan and to finalize the rehabilitation and reconstruction efforts in Aceh and Nias.

## 19. MAKING ACEH SAFER THROUGH DISASTER RISK REDUCTION IN DEVELOPMENT (DRR-A)

*DRR-A is designed to establish disaster risk reduction (DRR) as a normal part of the development process in the core functions of Aceh's local governments and their public and private partners, especially in Aceh's local communities where the most effective and direct actions can be taken to reduce physical, economic and social vulnerability to disasters. The project has been extended until May 2012.*

Grant Amount	US\$9.87 million
Implementation Period	November 2008–May 2012
Partner Agency	United Nations Development Programme
Implementing Agency	Ministry of Home Affairs and Provincial Government of Aceh
Disbursements as of September 30, 2011	US\$9.87 million

The DRR-A project strives to mainstream disaster risk reduction into the core functions of Aceh's local government agencies, its public and private partners, local communities and families, while taking into account the different capacities, needs, and vulnerabilities of the population. DRR-A creates institutional arrangements and an enabling environment to facilitate participatory implementation of disaster risk reduction (DRR), involving established local institutions and using public awareness programs and gender-sensitive projects.

### Major Achievements

In order to foster an enabling environment to institutionalize DRR measures, the DRR-A project has devoted much of its effort to drafting and facilitating an official review and approval of various legal and regulatory instruments. The DRR-A project has supported the development of the DRR Local Action Plan, the Public Awareness Coordinating Committee (PACC), and the development of the regulation (Pergub No. 102/2009) establishing the Provincial Disaster Management Agency (BPBA). The project was also successful in mainstreaming DRR into the final draft of the Aceh long-term development plan.

The project applies gender sensitivity to the context of DRR. Ten districts most prone to disaster were selected as pilot locations to implement community-based and gender-sensitive DRR. Village governments in all ten districts have validated and approved the Community Action Plans and village governments in five districts have approved the Disaster Management Plans and



Junior high school students learn about disaster risk reduction using materials developed through the DRR-A project. The project has drafted DRR education guidelines for the junior high school curriculum. PHOTO: UNDP COLLECTION

the Contingency Plans. The DRR-A also provided technical expertise in the development of the standard operating procedures for the tsunami early warning system

(TEWS) in Aceh as a draft *Pergub* (*Peraturan Gubernur Propinsi*/Provincial Governor Regulation).

The DRR-A project has made significant progress through signing agreements with various provincial government agencies. The Tsunami and Disaster Mitigation Research Center (TDMRC) has been established at the University of Syiah Kuala to serve as a “think tank” on DRR for the Government of Aceh. The project has established a wide range of partnerships with government, media, NGOs, and academia and is fostering ownership of the DRR agenda with all provincial agencies. TDMRC is moving toward a self-sufficient future by promoting its newly developed products and services such as risk maps and a refresher course for historical data-based management to the international community and has participated in a tender for an earthquake/tsunami early warning system in Oman. TDMRC also has launched a Masters degree program through Syiah Kuala University during the second quarter of 2011.

To promote public awareness of DRR, the project was instrumental in establishing PACC which has drawn participation from around 20 organizations/agencies including religious and media sectors. A survey on public awareness of DRR is planned to better gauge PACC's needs and capacity. The Aceh PACC was officially launched and introduced to the community at large during the second quarter of 2011. A draft of DRR education guidelines for junior high school was developed.

## 20. ACEH GOVERNMENT TRANSFORMATION PROGRAMME (AGTP)

*The Aceh Government Transformation Programme (AGTP) provides strategic and essential support during the transition following the closing of BRR by ensuring that the provincial government has the necessary capacity and institutional strength to take over projects, assets, functions, capacities and resources from BRR at the end of its mandate. The project has been extended until June 2012.*

<b>Grant Amount</b>	<b>US\$13.98 million</b>
<b>Implementation Period</b>	<b>July 2008–June 2012</b>
<b>Partner Agency</b>	<b>United Nations Development Programme</b>
<b>Implementing Agency</b>	<b>Ministry of Home Affairs and Provincial Government of Aceh</b>
<b>Disbursements as of September 30, 2011</b>	<b>US\$13.98 million</b>

The AGTP provides support to provincial governments as they take over responsibility for the rehabilitation and reconstruction process after the closure of BRR. The AGTP focuses on strengthening the capacity of the provincial government through support to policy making, local government budget processes, transfer of assets to local institutions and anticorruption initiatives.

AGTP provides support to enhance the capacity of the provincial executive to create the institutional and policy framework for successful transition and recovery through the provision of technical advisors (*Tim Asistensi*). This approach has resulted in 13 out of 16 targeted processes/policies approved by the provincial executive and six out of six coordination processes/procedures put in place in target line ministries at the provincial level. One year after the advisors had completed their assignments the Provincial Communications and Transportation Agency, for example, had secured funding for the setup and operations of a new Center for Information Management to promote e-governance by unifying information systems developed by BRR to facilitate public access to information, in line with Law No. 14/2008.

AGTP provided operational capacity-building support to key provincial government agencies to effectively fulfill their transition and recovery responsibilities. The project facilitated the implementation of the UNDP Capacity Development Needs Assessments and Capacity Development Plans (CDP) in selected agencies. These agencies have started the process of developing their short- and long-term CDPs to be included in the provincial planning and budgeting documents.

To ensure project sustainability and to build capacity in the long term, AGTP supports the Provincial Training and Human Resource Agency (BKPP) to retain, manage and transfer to provincial and district agencies the knowledge and skills required for a successful and sustainable transition. The project assisted in drafting BKPP's faculty development program focusing on four strategic areas: asset management, gender, conflict resolution and planning and budgeting. Furthermore, AGTP is facilitating the accreditation of BKPP faculty members by the National Administration Bureau (LAN) through LAN's intensive 100-hour training course.

AGTP continues to provide technical support to the Government of Aceh to facilitate the transfer of reconstruction assets received from the BRR. In order to support coordination, communication and ensure a common understanding among stakeholders on asset transfer, a Stakeholders Coordination Forum on Asset Transfer is being established with support from AGTP, in coordination with its sister projects, TA to BRR and Bappenas and Nias Islands Transition Programme (NITP).



Fitria and her husband learned about women's and children's rights through a Legally Aware Village workshop. AGTP supported three pilot-village projects aimed at increasing awareness of women's rights as part of its mainstreaming gender in local governance activities.  
PHOTO: UNDP COLLECTION



## 21. NIAS ISLAND TRANSFORMATION PROGRAMME (NITP)

*The Nias Island Transformation Programme (NITP) aims to enhance district capacity to successfully complete the recovery process and manage ongoing local government responsibilities, applying best practices that improve governance and reduce risks from future natural disasters. The project has been extended to June 30, 2012.*

Grant Amount	US\$3.89 million
Implementation Period	June 2009–June 2012
Partner Agency	United Nations Development Programme
Implementing Agency	Ministry of Home Affairs, Provincial Government of North Sumatra and District Governments in Nias
Disbursements as of September 30, 2011	US\$3.89 million

NITP builds on the work of BRR and other rehabilitation and reconstruction support projects to facilitate the transition from BRR's implementation to ongoing recovery in the Nias Islands. The NITP supports implementation of activities at the provincial and district levels as well as the development and implementation of pro-active DRR in the responsible GoI structures and supporting NGOs. The majority of project work is dedicated to capacity building, especially relating to the transfer of assets to the relevant authorities. NITP has collaborated closely with two other MDF-funded projects, the AGTP and the TA to BRR and Bappenas Project to support and facilitate the asset verification and transfer process.

### Major Achievements

NITP provides support to complete the transition from BRR implementation to local government management. Critical attention was provided to prepare the Action Plan 2010-2012 as the basis for transition programming. Key systems have been adopted by the relevant agencies, and training on the planning, coordination, monitoring and evaluation of transition projects is underway.

To expedite the completion of priority rehabilitation and reconstruction activities after the transition, NITP worked closely with the local government agencies (SKPDs or *Satuan Kerja Perangkat Daerah*) to prioritize the effective management of rehabilitation and reconstruction assets, including budgeting for their continued operations and maintenance. NITP provided assistance to draft the legal instrument (Perda) on the district financial information system and asset management and also facilitated the implementation



All levels of schooling in Nias have an integrated disaster risk reduction curriculum. Students learn about hazards like earthquakes and landslides in classes like science, geography, math and social science.

PHOTO: CHANDRA MANALU, NITP

of a new district financial management system (SIPKD–*Sistem Informasi Pengelolaan Keuangan Daerah*) in accordance with the Ministry of Home Affairs Circular No. SE.900/294/BAAKD.

NITP assisted the *Bupati* (the district head) of Nias district to establish a Disaster Management Designated Working Group to deepen the institutionalization of DRR in future local government processes. The Working Group is under the supervision of Bappeda Nias and has finalized the draft regulation for the establishment of the regional disaster alleviation board (BPBD) for Nias. Other districts in Nias Islands have agreed to incorporate DRR and hazard maps in their respective spatial plans.

Completing the transfer of rehabilitation and reconstruction assets is a major challenge that requires intensive and timely coordination of different levels of government as well as various ministries and departments at the center. NITP initiated and held the first bi-monthly Stakeholder Coordination Forum to accelerate the asset transfer process in Nias Island in the second quarter of 2011. The Forum aims to enhance coordination and communication amongst asset stakeholders at national, provincial and district levels to improve sub-national governments' understanding on the national laws, regulations, and guidelines on asset transfer mechanisms.



## 22. ECONOMIC DEVELOPMENT FINANCING FACILITY (EDFF)

*The Aceh Economic Development Financing Facility (EDFF) supports initiatives for economic development and provides assistance to the Government of Aceh in project management and capacity building. The project is being implemented in 17 districts across Aceh.*

<i>Grant Amount</i>	<b>US\$50.00 million</b>
<i>Implementation Period</i>	<b>March 2009–June 2012</b>
<i>Partner Agency</i>	<b>The World Bank</b>
<i>Implementing Agency</i>	<b>Ministry for the Development of Disadvantaged Areas (KPDT) and Government of Aceh</b>
<i>Disbursements as of September 30, 2011</i>	<b>US\$44.46 million</b>

The EDFF promotes post-tsunami economic recovery and fosters sustainable equitable long-term economic development in line with the Government of Aceh's own plans for economic development. The project provides subgrants that aim to build a more competitive and supportive business environment necessary to create broad-based private sector job opportunities and growth, targeting the poor and other vulnerable groups. A unique implementation model is helping to develop central and local government capacity to manage similar projects in the future.

### Major Achievements

The EDFF provides sub-project grants (US\$44.5 million of the total budget) to selected NGOs to carry out activities that address critical issues affecting economic development in Aceh. Eight subprojects were chosen, from 121 proposals submitted, through a competitive and transparent selection process. Subgrant Agreements have been signed with eight NGOs: the Canadian Co-operative Association (CCA); Action Aid Australia (AAA); Swisscontact; Muslim Aid; Islamic Relief; Aceh Development Fund (ADF); International Organization for Migration (IOM); and Caritas Czech Republic. Each of these organizations implements activities in partnership with local NGO and/or private sector partners.

The sub-projects implement activities to support Aceh's key agricultural sectors and commodities including cocoa, coffee, patchouli oil, agriculture (rice, peanuts, soybeans), fisheries and fish processing, and livestock. Activities include: (i) provision of inputs, tools and equipment; (ii) quality enhancement; (iii) improved processing and packaging; (iv) improved domestic and international market access; (v) access to finance; (vi)



A woman carries sea water to be processed into sea salt. Salt farming in Jangka Alue Bie village in Bireuen district receives support from the EDFF project through the Environmentally Friendly Production Process for Sea Products (Terapan) sub-project implemented by the Aceh Development Fund.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS AGENCY FOR MDF SECRETARIAT

cooperative development; (vii) improved business environment; (viii) local government capacity building; (ix) women's empowerment; (x) strengthening research and training centers; (xi) cattle breeding and fattening; and (xii) public infrastructure for economic sectors.

The new implementation model resulted in some initial delays in project start up and the sub-projects are on a tight timeline to complete activities by their closing dates. Nevertheless, most output targets have been met, and significant outcomes are already evident in some sub-projects. The project is helping to build both technical and business skills and identify opportunities so that farmers, fishermen, cooperatives, and small entrepreneurs will be on stronger footing for continued economic development after the MDF closes in 2012.

Results as of September 30, 2011	Achievements
Number of sector development plans developed in consultation with private sector and adopted by local governments.	District master plan for cocoa completed in 1 district and nearly complete in 4 more districts
Number of primary producers trained in improved production or processing technology (25,000 targeted)	26,381 (farmers, fishermen, aquaculturalists, cooperative members)
Number of Small and Medium Enterprises (SMEs) trained in improved processing and marketing (110 targeted)	256 SMEs/cooperatives/producer groups
Number of producer groups established or strengthened (430 targeted)	950, including 8 women's groups
Number of cooperatives established or strengthened (65 targeted)	66
Number of direct and indirect beneficiaries (100,000 targeted)	105,524

## 23. NIAS LIVELIHOODS AND ECONOMIC DEVELOPMENT PROJECT (LEDP)

*The Nias Livelihoods and Economic Development Project (LEDP) facilitates post-disaster economic recovery and poverty alleviation by improving the ability of the local government to work with poor rural households in Nias to identify, develop and sustain livelihood opportunities.*

<i>Grant Amount</i>	<b>US\$8.2 million</b>
<i>Implementation Period</i>	<b>October 2010–June 2012</b>
<i>Partner Agency</i>	<b>The World Bank</b>
<i>Implementing Agency</i>	<b>Ministry for the Development of Disadvantaged Areas (KPDT)</b>
<i>Disbursements as of September 30, 2011</i>	<b>US\$ 2.02 million</b>

The Nias LEDP is designed to facilitate post-disaster economic recovery and poverty alleviation of communities affected by the tsunami and earthquake by creating an enabling environment for improved livelihoods and human development in the Nias Islands. The project aims to empower beneficiaries to improve technical, financial, management and marketing skills for livelihoods and economic development activities. The project also works to develop management and technical capacity within the local government for the implementation of livelihood programs in Nias. The project is implemented by the Ministry for the Development of Disadvantaged Areas (KPDT) and is one of four MDF projects specifically focused on the recovery of Nias.

### Major Achievements

The Nias LEDP supports 100 livelihood groups in 80 villages located in 20 sub-districts across the island of Nias. The Nias LEDP and RACBP projects coordinate their activities so that rural communities benefit from the synergy between enhanced rural livelihood opportunities and the improved roads that increase access to markets as well as other services and benefits contributing to human and economic development.

Project activities support local government and community groups through training, technical assistance, and the provision of key agricultural inputs. Most activities focus on training and group facilitation for women's and agriculture livelihoods' groups and capacity building for local government agencies under the Ministry of Agriculture, with a primary focus on Nias' key agricultural commodities—rice, rubber, and cocoa. Improvement in agricultural practices and production is supported through the provision



A farmer from Bawopanayama village in Nias proudly displays a cocoa seedling. This type of seedling enables farmers to harvest their cocoa within 18 months. Farmers in this area have learned new skills and received support from the Nias LEDP project.

PHOTO: MOSISTA PAMBUDI/ANTARA NEWS AGENCY FOR MDF SECRETARIAT

of rice seeds, cocoa and rubber seedlings as well as technical assistance to farmer groups. Nurseries are being set up in each of the five districts so that farmers will continue to have access to good quality

cocoa and rubber seedlings after the project ends. Small community support grants will support training and capacity building in various livelihood activities. More than 90 proposals were submitted by community groups and are presently under review. The project includes a special focus on improving livelihood activities for women.

The project was the last in the MDF portfolio to be approved and thus the time remaining for project implementation is limited by the MDF closing date of December 2012. Conditions in Nias, including difficult access to remote project areas, coupled with a long rainy season, present further challenges to project implementation. Despite these obstacles, the project is making significant progress towards facilitating post-disaster economic recovery in Nias through improving livelihood opportunities for poor rural households.

<b>Results as of September 30, 2011</b>	<b>Achievements</b>
Local government officers trained	28 field extension workers from 5 districts trained in farmer organization
Livelihood group members trained	240 lead farmer were trained on technical skills 228 farmer groups with 3,307 members (2,299 male, and 1008 female) received technical training (in cocoa, rubber, and rice production)

**LIST OF ACRONYMS AND ABBREVIATIONS**

AAA	Action Aid Australia
ACAP	Anticorruption Action Plan
ADF	Aceh Development Fund
AFEP	Aceh Forest and Environment Project
AGTP	Aceh Government Transformation Programme
AMDAL	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment)
BAFMP	Banda Aceh Flood Mitigation Project
Bappeda	<i>Badan Perencanaan Pembangunan Daerah</i> (Regional Development Planning Agency)
Bappenas	<i>Badan Perencanaan Pembangunan Nasional</i> (National Development Planning Agency)
BKPP	<i>Badan Kepegawaian Pendidikan dan Pelatihan</i> (Provincial Training and Human Resource Agency)
BKRA	<i>Badan Kesenambungan Rekonstruksi Aceh</i> (Aceh Sustainable Reconstruction Agency)
BKRAN	<i>Badan Kesenambungan Rekonstruksi Aceh dan Nias</i> (Sustainable Reconstruction Agency for Aceh and Nias)
BKRN	<i>Badan Kesenambungan Rekonstruksi Nias</i> (Nias Sustainable Reconstruction Agency)
BNPB	<i>Badan Nasional Penanggulangan Bencana</i> (National Disaster Alleviation Agency)
BPBA	<i>Badan Penanggulangan Bencana Aceh</i> (Aceh Disaster Alleviation Agency)
BPBD	<i>Badan Penanggulangan Bencana Daerah</i> (Regional Disaster Alleviation Agency)
BPN	<i>Badan Pertanahan Nasional</i> (National Land Agency)
BRR	Aceh-Nias Reconstruction and Rehabilitation Board
CBLR3	Capacity Building for Local Resource-based Rural Roads
CBO	Community-based Organization
CCA	Canadian Co-operative Association
CDA	Community-driven Adjudication
CDD	Community-driven Development
CPDA	Consolidating Peaceful Development in Aceh
CSO	Civil Society Organization
CSP	Community Settlement Plan
CSRC	Civil Society Resource Center
CSRRP	Community-based Settlement Rehabilitation and Reconstruction Project
DFID	Department for International Development (UK)
DIPA	State budget execution document
DRR	Disaster Risk Reduction
DRR-A	Disaster Risk Reduction-Aceh Project
EDFF	Economic Development Financing Facility

**LIST OF ACRONYMS AND ABBREVIATIONS (CONTINUED)**

EGA	Economic Governance in Aceh
EIA	Environmental Impact Assessment
FFI	Fauna and Flora International
GoI	Government of Indonesia
ILO	International Labour Organization
IOM	International Organization for Migration
IREP	Infrastructure Reconstruction Enabling Program
IRFF	Infrastructure Reconstruction Financing Facility
KDP	<i>Kecamatan</i> Development Program
KNOW	Knowledge Management Center
KPDT	<i>Kementerian Pembangunan Daerah Tertinggal</i> (Ministry for the Development of Disadvantaged Areas)
KRRP	<i>Kecamatan</i> -based Reconstruction and Rehabilitation Planning Project (Nias)
LAN	<i>Lembaga Administrasi Negara</i> (National Administration Bureau)
LEDP	Livelihoods and Economic Development Project (Nias)
LIF	Leuser International Foundation
M&E	Monitoring and evaluation
MCK	<i>Mandi, cuci, kakus</i> (Public bathing, washing and toilet facilities)
MDF	Multi Donor Fund
MIS	Management Information System
MSW	Municipal Solid Waste
MTR	Mid-Term Review
NGO	Nongovernmental Organization
NITP	Nias Island Transition Programme
O&M	Operations and Maintenance
PACC	Public Awareness Coordinating Committee
PDAM	Regional Clean Water Company
Pergub	<i>Peraturan Gubernur</i> (Governor's Regulation)
PNPM	<i>Program Nasional Pemberdayaan Masyarakat</i> (National Community Empowerment Program)
R&R	Rehabilitation and Reconstruction
R2C3	Rehabilitation and Reconstruction Completion and Continued Coordination
RACBP	Rural Access and Capacity-building Project (Nias)
RALAS	Reconstruction of Aceh Land Administration System
RAND	Recovery of Aceh-Nias Database



Rekompak	<i>Rehabilitasi dan Rekonstruksi Masyarakat dan Permukiman Berbasis Komunitas</i> (Community-based Settlement Rehabilitation and Reconstruction Project)
SDLP	Sea Delivery and Logistics Programme (Aceh)
SIMBADA	<i>Sistem Informasi Barang dan Aset Daerah</i> (Regional Assets and Equipment Information System)
SIPKD	<i>Sistem Informasi Pengelolaan Keuangan Daerah</i> (Regional Financial Management Information System)
SKPD	<i>Satuan Kerja Perangkat Daerah</i> (Regional Working Unit)
SME	Small and Medium Enterprises
SPADA	Support for Poor and Disadvantaged Areas
TA	Technical Assistance
TBSU	Trail Bridge Support Unit (Nepal)
TDMRC	Tsunami and Disaster Mitigation Research Center
TEWS	Tsunami Early Warning System
TRPRP	Tsunami Recovery Ports Redevelopment Programme
TRWMP	Tsunami Recovery Waste Management Programme
UNDP	United Nations Development Programme
UPP	Urban Poverty Project
WFP	World Food Programme

MAP OF ACEH AND NIAS







Republic of  
Indonesia



BRR



European Union



Netherlands



United Kingdom



Canada



World Bank



Sweden



Norway



Denmark



Germany



Belgium



Finland



ADB



United States of  
America



New Zealand



Ireland