

# International Conference

## Lessons from Indonesia Experiences In Disaster Reconstruction and Preparedness

12 November 2012 – Pullman Central Park, Jakarta, Indonesia



## Background

### About the Disasters

Between 2004 and 2010, several devastating natural disasters struck Indonesia:

- **December 26, 2004:** The deadliest tsunami in history hits Aceh, an Indonesian province on the northern tip of Sumatra, after a massive earthquake. In Aceh, 221,000 people were killed or missing. Over 500,000 were left homeless. The scale of physical devastation and human suffering was enormous.
- **March 28, 2005:** A major earthquake strikes Nias Island, off the west coast of Sumatra, killing about 1,000 people and leaving thousands homeless. It causes severe damage, destroying about 30 percent of all buildings.
- **May 27, 2006:** An earthquake in Yogyakarta Special Region and Central Java claimed more than 5,700 lives. Over 280,000 homes were destroyed and the local economy was severely affected, especially the large number of home-based industries.
- **July 17, 2006:** An earthquake triggered a tsunami causing widespread damage along the south coast of West Java. About 650 people died, and over 28,000 were displaced.
- **October 26 to November 11, 2010:** Mount Merapi, an active volcano located between Yogyakarta and Central Java, erupted, seriously damaging housing and infrastructure. About 750 were injured or killed, and about 367,000 displaced.

### About the Multi Donor Fund

The Multi Donor Fund for Aceh and Nias (MDF) was established in April 2005 at the request of the Government of Indonesia to coordinate and mobilize donor support for the reconstruction and rehabilitation of affected areas following the December 2004 earthquake and tsunami, and the subsequent March 2005 earthquake.

The MDF pooled US\$655 million in contributions from 15 donors: 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 World Bank served as Trustee of the MDF.

Under the MDF portfolio, 23 projects were financed in 23 outcome areas: (1) Recovery of Communities; (2) Reconstruction and rehabilitation of Large Infrastructure and Transport; (3) Strengthening Governance and Capacity Building; (4) Sustaining the Environment; (5) Enhancing the Recovery Process; and (6) Economic Development and Livelihoods. These projects reflected the priorities of the Indonesian government throughout the reconstruction process.

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The MDF was coordinated by the Government of Indonesia, initially through the Agency for the Rehabilitation and Reconstruction of Aceh and Nias (BRR), which was set up to manage the reconstruction and recovery effort. After the BRR closed in April 2009, the National Development Planning Agency, Bappenas, took on this critical role.

### MDF Contributions

MDF Donors	Contributions (US\$ million)
European Union	271.30
Government of Netherlands	146.20
Government of the United Kingdom	68.50
Government of Canada	20.22
World Bank	25.00
Government of Sweden	20.72
Government of Norway	19.57
Government of Denmark	18.03
Government of Germany	13.93
Government of Belgium	11.05
Government of Finland	10.13
Asian Development Bank	10.00
Government of the United States	10.00
Government of New Zealand	8.80
Government of Ireland	1.20
<b>Total Contributions:</b>	<b>654.67</b>

### The MDF Portfolio

The MDF's portfolio was designed to meet the changing needs of Aceh and Nias as they progressed from recovery to rebuilding infrastructure to laying the foundations of economic development. Consisting of 23 projects in six outcome areas, the projects were implemented by government and non-government partners, including national and provincial governments, agencies of the United Nations, international development institutions, and non-governmental organizations. Environmental sustainability, gender, capacity building and disaster risk reduction were important cross-cutting elements of the MDF program throughout its life cycle.

#### 1. Recovery of Communities

The first group of MDF projects supported recovery of communities, with a focus on housing and local infrastructure. Using a community-driven approach and implemented by government, these programs enabled disaster survivors to re-establish their communities and begin rebuilding their lives.

- The **Community-based Settlement Rehabilitation and Reconstruction Project**, better known as *Rekompak*, used a community-driven approach to rebuild homes and local infrastructure in Aceh and Nias. Implemented by the Ministry of Public Works (MPW) and managed by the

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World Bank, Rekompak rebuilt nearly 15,000 houses and restored basic infrastructure to 180 villages.

- The **Community Recovery through the Kecamatan Development Project (KDP)** was part of a national program and partly funded by the MDF. Through KDP, the MDF assisted communities in Aceh and Nias plan and manage the reconstruction of rural infrastructure, schools, clinics, and other public buildings. It also provided business training and loans. The project was implemented by the Ministry of Home Affairs (MHA) and managed by the World Bank.
- The **Community Recovery through the Urban Poverty Program (UPP)** provided support for reconstruction to urban communities to rehabilitate and develop community infrastructure in municipalities in Aceh. UPP repaired urban infrastructure, rebuilt schools and other public buildings, and provided scholarships. The project was implemented by the MPW and managed by the World Bank.
- The **Kecamatan-based Reconstruction and Rehabilitation Planning in Nias Project (KRRP)** was a community-based recovery and planning project for reconstruction in Nias. Implemented by the MHA and managed by the World Bank, it rebuilt houses, schools, public buildings, and village infrastructure.
- The **Reconstruction of Aceh Land Administration System (RALAS)** restored land property rights and a computerized land records management system. Over 220,000 land title certificates were issued, nearly one-third to women. Implemented by the National Land Agency (BPN) and managed by the World Bank.

## 2. Recovery of Large Infrastructure and Transport:

The MDF, working in partnership with the Government of Indonesia, contributed significantly to the reconstruction of large infrastructure in Aceh and Nias. These projects restored transportation links and critical infrastructure, thereby improving people's lives and providing new economic opportunities.

- The **Banda Aceh Flood Mitigation Project (BAFMP)**, implemented by Muslim Aid and managed by the World Bank, repaired pumping stations, flood valves, and drainage systems damaged by the tsunami to protect the central business area of Banda Aceh from storm and tidal flooding.
- The **Infrastructure Reconstruction Enabling Program (IREP)** and its companion project, the **Infrastructure Reconstruction Financing Facility (IRFF)**, planned, designed, and built strategic infrastructure such as roads, water systems and bridges in Aceh and Nias. Co-financed by BRR, the projects were implemented by the MPW and managed by the World Bank.

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- The **Lamno-Calang Road Maintenance Project (LCRMP)** maintained a key road from Lamno to Calang to ensure overland access to tsunami-affected communities on Aceh's west coast. The project was implemented by the UNDP.
- The **Sea Delivery and Logistics Programme (SDLP)** met the urgent recovery transportation needs for construction materials in Aceh and Nias. Implemented by the WFP, it also provided training for better management of ports and disaster-risk reduction.
- The **Tsunami Recovery Port Redevelopment Programme (TRPRP)** rehabilitated damaged ports in Aceh and Nias so that equipment and materials could be supplied to isolated communities. The project, implemented by the UNDP, also provided designs and technical support for reconstructing major sea ports.
- The **Rural Access and Capacity Building Project (RACBP)** helped residents of participating districts in Nias effectively use improved rural transport infrastructure and services to take advantage of economic opportunities and social services. Implemented by the ILO, it also included a cultural heritage component.

### 3. Economic Development and Livelihoods:

Restoring livelihoods is an important part of disaster recovery. These projects strengthened important sectors which provide employment and income to Aceh and Nias, paving the way for long-term economic growth.

- The **Aceh Economic Development Financing Facility (EDFF)** promoted post-tsunami economic recovery. Managed by the World Bank, the EDFF was implemented by the Ministry for Development of Disadvantaged Areas (KPDT) and the Government of Aceh. The project provided sub-grants to support growth in key sectors including coffee, cocoa, rice, meat and fisheries.
- The **Nias Islands Livelihoods and Economic Development Program (LEDP)** provided training to improve technical and business skills for livelihoods and overall economic development. Implemented by KPDT and managed by the World Bank, the project also developed skills within local government for implementing livelihoods programs in Nias.

### 4. Strengthening Governance and Capacity Building:

The MDF encouraged good governance and strengthened the capacity of local communities and district governments. It encouraged the development of civil society organizations involved in the reconstruction process.

- The **Capacity Building for Local Resource-based Rural Roads (CBLR3)** strengthened the capacity of district government and small-scale contractors to undertake local road works. Implemented by the ILO.

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- The **Support for Poor and Disadvantaged Areas Project in Aceh and Nias (SPADA)** project, implemented by KPDT and managed by the World Bank, strengthened local participation in development planning, promoted private investment and job creation, and improved health, education and dispute resolution services. The project complemented a national program funded by a World Bank loan.
- **Support to Strengthen the Capacity and Role of Civil Society Organizations (CSO)**, implemented by the UNDP, built the capacity of local civil society organizations in Aceh and Nias to enhance grass-roots participation in the reconstruction process.

### 5. Enhancing the Recovery Process:

In order to strengthen government capacity to manage the recovery effort, the MDF provided technical assistance and operational support to BRR and other government agencies.

- The **Aceh Government Transformation Program (AGTP)** provided strategic support to the government of Aceh to provide the capacity and institutional strength to take over projects, resources, and assume oversight of reconstruction and recovery programs after the closure of BRR in April, 2009. The project was implemented by the MHA and Provincial Government of Aceh and managed by the UNDP.
- **Making Aceh Safer through Disaster Risk Reduction in Development (DRR-A)** established disaster risk reduction in Aceh's local government agencies, its public and private partners, and local communities. The project was implemented by the MHA and Provincial Government of Aceh, and managed by the UNDP.
- The **Nias Island Transformation Programme (NITP)**, managed by the UNDP and implemented by the MHA and local governments in Nias, enhanced district capacity to successfully complete the recovery process and reduce risks from future natural disasters.
- **Technical Assistance to the BRR and Bappenas (TS-R2C3)**, managed by the UNDP, the project supported BRR in managing the overall recovery process. After BRR closed in April 2009, the project worked with Bappenas.

### 6. Sustaining the Environment:

Throughout the recovery process, the MDF committed to protecting the environment. The MDF played an important part in post-disaster cleanup and long-term waste management. It also worked to protect the ecosystems of Aceh and Nias.

- The **Tsunami Recover Waste Management Programme (TRWMP)** helped local government clear, recycle and dispose of Tsunami waste, rehabilitate waste management infrastructure, and implement sustainable solid waste management systems. It also promoted waste-management-related livelihoods. Implemented by the UNDP.

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- The **Aceh Forest & Environment Project (AFEP)** worked closely with communities, civil society and government to protect the Leuser and Ulu Masen forests from illegal logging and promoted sustainable forest management. Managed by the World Bank, the project was implemented by Fauna & Flora International (FFI) and Leuser International Foundation (LIF).

### About the Java Reconstruction Fund

Following a request from the Government of Indonesia, the Java Reconstruction Fund (JRF) was established to respond to the earthquake of May 27, 2006, which struck near Yogyakarta, and the tsunami that struck the southern coast of West Java Province in July 2006. Seven donors supported the JRF with contributions totaling US\$94.1 million.

The donors are: the European Union, the Asian Development Bank, and the Governments of the Netherlands, United Kingdom, Canada, Finland and Denmark. The World Bank served as Trustee of the JRF. Following the government's priorities, the JRF supported the recovery of communities, the restoration of livelihoods, and increasing disaster preparedness of affected communities.

The JRF portfolio consisted of five projects which drew from the MDF's experience and used a phased approach: (1) Transitional Housing; (2) Restoring Housing and Community Infrastructure; and (3) Restoring Livelihoods. Its work was coordinated by the Government of Indonesia through the National Technical Team (TTN) and Bappenas.

### JRF Contributions

JRF Donors	Contributions (US\$ million)
European Union	51.17
Government of Netherlands	12.00
Government of the United Kingdom	10.77
Asian Development Bank	10.00
Government of Canada	6.53
Government of Finland	1.99
Government of Denmark	1.60
<b>Total Contributions:</b>	<b>94.06</b>

### The JRF Portfolio

The JRF portfolio followed the phased approach of the MDF. Early support focused on meeting housing and community recovery needs and subsequent support focused on addressing economic recovery. The JRF prioritized disaster risk reduction in all its programs.

**1. Transitional Housing Projects.** The JRF financed two transitional housing projects, implemented by the International Organisation for Migration (IOM) and Cooperative Housing Foundation (CHF)

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International and managed by the World Bank. The projects provided nearly 5,000 transitional shelters.

**2. The Community-based Settlement Rehabilitation and Reconstruction Project**, better known as *Rekompak*, made up most of the JRF funding allocation. Following the model established in Aceh, it used a community-driven approach to rebuild homes and local infrastructure in earthquake-affected areas of Yogyakarta Special District, and Central Java, and later, parts of West Java affected by a subsequent earthquake and tsunami. After the 2010 eruptions of Mount Merapi, the project was expanded further. Implemented by the Ministry of Public Works (MPW) and managed by the World Bank, the project rebuilt over 15,000 houses and completed over 4,000 local infrastructure projects.

### 3. Livelihood Recovery Projects:

- **The Livelihood Recovery in Yogyakarta Special District and Central Java project** contributed to the Government of Indonesia's initiatives to assist micro, small and medium enterprises (MSMEs) affected by the earthquake to revitalize their businesses and re-integrate affected low-income communities into economic life. The project provided access to finance, developed loan work-out strategies for viable companies, restored capacity and improved competitiveness of medium-sized companies in Yogyakarta and Central Java. The project was implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and managed by the World Bank.
- **The Access to Finance and Capacity Building for Earthquake Affected Micro and Small Enterprises project**, implemented by the IOM and managed by the World Bank, supported the recovery of micro and small enterprises in Yogyakarta and Central Java to enable them to reach their pre-earthquake capacity. It provided access to finance and targeted assistance. The project worked with over 4,000 micro and small enterprises (MSEs), over 40 percent run or owned by women.

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