TWO YEARS AFTER THE JAVA EARTHQUAKE AND TSUNAMI:
Implementing Community Based Reconstruction, Increasing Transparency
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[cover] Villagers can now focus on their main source of income in agriculture after their houses are built.
Location: Sumber Mulyo village.

Photo by Gabriella Inge M.S.
TWO YEARS AFTER THE JAVA EARTHQUAKE AND TSUNAMI:

Implementing Community Based Reconstruction,
Increasing Transparency
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>Bakornas</td>
<td>National Coordinating Board for Disaster Management</td>
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<tr>
<td>Bapeda</td>
<td>Regional Development Planning Agency</td>
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<td>Bappenas</td>
<td>National Development Planning Agency</td>
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<td>BPR</td>
<td>Community Banks</td>
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<td>BPS</td>
<td>Government of Indonesia's Central Statistics Agency</td>
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<td>CHF</td>
<td>Cooperative Housing Foundation</td>
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<td>CIDA</td>
<td>Canadian Government's International Development Agency</td>
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<td>CSP</td>
<td>Community Settlement Plan</td>
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<td>CSRRP</td>
<td>Community-Based Settlement Rehabilitation and Reconstruction Project</td>
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<td>DFID</td>
<td>United Kingdom Government’s Department for International Development</td>
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<td>DRR</td>
<td>Disaster Risk Reduction</td>
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<td>EC</td>
<td>European Commission</td>
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<td>GoI</td>
<td>Government of Indonesia</td>
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<td>GTZ</td>
<td>German Technical Cooperation Agency</td>
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<td>IOM</td>
<td>International Organization for Migration</td>
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<td>JRF</td>
<td>Java Reconstruction Fund</td>
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<td>KDP</td>
<td>Kecamatan Development Program</td>
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<td>KP</td>
<td>Community Group</td>
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<td>MDF</td>
<td>Multi Donor Fund for Aceh and Nias</td>
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<td>MPW</td>
<td>Ministry of Public Works</td>
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<td>MSMEs</td>
<td>Micro Small and Medium Enterprises</td>
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<tr>
<td>NGO</td>
<td>Non-Government Organization</td>
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<td>PDO</td>
<td>Project Development Objective</td>
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<td>PNM</td>
<td>Permodalan Nasional Madani</td>
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<td>SME</td>
<td>Small to Medium Enterprises</td>
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<td>MSE</td>
<td>Micro and Small Enterprises</td>
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<td>TTN</td>
<td>National Technical Team</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United Nations Development Program</td>
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The housing and settlement reconstruction and rehabilitation have been the priority for the National Coordinating Team for Reconstruction and Rehabilitation based on the Action Plan of the Rehabilitation and Reconstruction of Post-earthquake Yogyakarta and Central Java Areas. The tremendous achievements of post earthquake rehabilitation and reconstruction activities have been made possible thanks and appreciation to the enormous support from the Indonesian Government, local and international donors.

The Indonesian Government has provided and disbursed totally Rp. 5.4 Trillion from its APBN state budget to help rebuild 279 thousand houses and rehabilitate 253 thousand others that had been damaged by the earthquake in Yogyakarta and Central Java. In addition, the Indonesian Government had also received support from the International community. One of the most outstanding assistances extended to the families of the disaster in Yogyakarta, Central Java and West Java has been through the Java Reconstruction Fund (JRF) consisting of six donors who has provided a donation amounting to more than US$ 80 Million. Of this, US$ 60 Million was spent for the implementation of the Community-Based Settlement Rehabilitation-Reconstruction Project, or better known as JRF-REKOMPAK with expectation to rehabilitate 15,153 houses in Klaten regency in Central Java province and Bantul regency in Yogyakarta province. As an additional benefit, this project would help rebuild settlement infrastructures that could help mitigate earthquake disasters impacts in at least 100 villages and sub districts in Central Java, West Java and Yogyakarta.

As a result of the consolidated efforts, one and a half year later, about 97.31% of earthquake victims in the provinces of Central Java and Yogyakarta have been able to be resettled in their new and safe earthquake-resistant houses.

Relying on community institutions, this community-based development of settlement planning and community infrastructure can become a model for developing self-reliant settlement environment planning and management program.

The next step for Communities is to take advantage of the developed community based program to support integrated disaster mitigation in the context of spatial planning. In this light, it is expected that village/sub district community, where this program is being carried out, can make use of the existing funding opportunity carefully and wisely and within a reasonable timeframe so that optimum outputs and benefits can be obtained for their welfare.

I certainly look forward to another year of progress.

On behalf of the Coordinating Team,

Djoko Kirmanto
Minister of Public Works
Republic of Indonesia
Statements from Stakeholders

Statement from the National Technical Team

As the technical coordinator for the rehabilitation and reconstruction, we believe that Java Reconstruction Fund has been the benchmark on how aid should be managed. It has not only showed us how to select projects that are mostly needed, but also ensuring that the projects provide impact for communities and measured. In the future, all projects will still need to maintain their complementarity to ensure high impact to communities.

Dr. Soetatwo Hadiwigeno
Chairman

Statement from the Government of Special Territory Yogyakarta

We have many times stated that willingness to work together between the government and donors will provide better results. That is how we felt when accepting Java reconstruction Fund to be involved in Yogyakarta. Being coordinated under one management; the donors are seen to provide the best for beneficiaries by putting aside individual interest and taking account advice from the local government.

Ir. Tri Harjun Ismai, M.Sc
Regional Secretary Head

Statement from the Government of Central Java

We believe that Klaten is fortunate to have Java Reconstruction Fund provide funding, not only for providing housing, but now also in the recovery of livelihoods. The project is successful not because of the amount of funds provided, but mostly due to its responsibility in ensuring that technical aspects and accountability are met. The responsibility of the local government to work together with donors as part of the rehabilitation and reconstruction scenario is also essential.

Anung Sugihantono
Head of the Regional Planning Board
We, the donors of the Java Reconstruction Fund, are very pleased with the achievements and progress of activities funded, in support of the overall program of the Government of Indonesia which is rebuilding homes and community infrastructure affected by the 2006 earthquake and tsunami in Yogyakarta, Central and West Java.

We have visited areas where reconstruction has been completed, and areas where housing reconstruction is in its final stages. We have had the opportunity to meet and talk to families reconstructing their homes and rebuilding their lives which allowed us to learn about their experiences first-hand. The JRF has supported the use of a community-based development approach to reconstruction efforts which has relied directly on the individuals whose lives and communities were impacted by the earthquake and tsunami. The results of using this approach are evident in the pride beneficiaries have shown in taking back control of their lives, and in the high quality standard of the housing that they have built. The community-based development approach has certainly been the right choice to build ownership and motivation for the reconstruction efforts among community members.

It is very meaningful to see beneficiaries now living in their homes and returning to normal life and work. Moving forward we are especially eager to see the transition from the phase of “housing reconstruction” to the next phase which is “recovery of livelihoods”. JRF will be supporting this phase with two projects that will start in mid 2008.

We would like to thank the Central and Provincial Governments for the close cooperation and collaboration developed between the Java Reconstruction Fund, the National Technical Team (TTN) and the Provincial Government representatives. This enabled the Java Reconstruction Fund to support Government plans and reconstruction efforts. We look forward to continuing this strong working relationship so that our efforts will have a beneficial and sustainable impact on local communities.

We congratulate the project teams who are working very hard and directly with the project beneficiaries to ensure that their needs are properly met.

We will continue to work closely with the Secretariat to monitor the progress of the activities of the Java Reconstruction Fund which are designed to help the people of Yogyakarta, Central and West Java rebuild their lives.
The rehabilitation and reconstruction of Yogyakarta and Central Java, led by the Government of Indonesia, is truly a remarkable success story. The Java Reconstruction Fund is pleased to have played a part in this.

More than 200,000 houses have been reconstructed in two years - an outstanding achievement attained with record speed by any standard around the world. By pledging more than $84 million to the reconstruction, JRF donors have contributed to supporting the reconstruction of more than 15,000 houses to meet the needs of those affected by the 2006 earthquake and tsunami.

There are important lessons that have been learnt here: By quickly responding, by deciding to adopt a community based housing reconstruction approach and relying on provincial government to lead the implementation efforts, assistance could speedily be delivered to families. JRF projects filled the gap of much needed transitional housing. Approval to provide housing for communities came through quickly, and the decision to use the Community Based approach was the right choice.

The Java Reconstruction Fund will continue to fill the gap by financing the rehabilitation of livelihoods where support has been rather limited. JRF has recently approved two livelihoods projects that will provide immediate and longer term livelihood opportunities to small and medium sized businesses. This will be achieved through improved access to finance and markets, assistance in developing and implementing loan repayment strategies, and rehabilitating damaged medium-size business infrastructure and capital equipment. These projects are also expected to strengthen the capacity of local micro finance institutions.

Building on the achievements of last year, the JRF contributions are expected to further support the GoI’s Action Plan for the reconstruction and rehabilitation of the earthquake affected Yogyakarta and Central Java.

Joachim von Amsberg
World Bank Country Director
This report was prepared by the Secretariat of the Java Reconstruction Fund with contributions from the project teams under the supervision of Christian Rey.

The Java Reconstruction Fund Secretariat core team includes: Maiko Uchida, Lanny Oktavia, Nia Sarinastiti and Sarosh Khan with support from Rahayu Novianty, Gabriela Inge Maria Susilo and Rachmawati Dyah Swandari. The following colleagues contributed to the report: from the World Bank Infrastructure Unit George Soraya, Indira Dharmapatni, Sri Probo Sudarmo, Yuli Safitri Widyawati, Purnomo Sutantyo, and Parwoto Sugianto, and the project implementing team, Manfred Profazi, International Organization for Migration and Kelly Van Husen, Cooperative Housing Foundation, as well as Shaun Parker for editing.

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Special recognition goes to Chris Tumelap for writing the stories from the field and the project teams for arranging field trips for Donors and the Secretariat and extending their help to ensure that all activities with beneficiaries are effective.

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We would also like to thank Donors of the Java Reconstruction Fund; the European Commission and the governments of Netherlands, the United Kingdom, Canada, Finland and Denmark for their contributions, as well as their delegates for their active participation in all aspects of the Fund activities.
In response to the earthquake in May 2006 that hit the Java provinces of Yogyakarta and Central Java, the Government of Indonesia rapidly set up a National Coordinating Team, assisted by a National Technical Team, and two provincial implementing teams for channeling reconstruction and rehabilitation funds. The Java Reconstruction Fund (JRF) was established at the request of the Government of Indonesia to support the governments’ efforts. The Fund is managed by the World Bank with contributions totaling to US$ 84.07 million from European Commission and the governments of Netherlands, United Kingdom, Canada, Finland, and Denmark. Over 71% of these funds are channeled through the Government of Indonesia budget to enhance the ownership by the Government. The Fund also covers West Java affected by a tsunami that hit the southern shores of the area two months after the earthquake.


The first phase of the JRF financed projects focused on providing transitional and permanent housing, and rehabilitating community infrastructure. To date, two projects have been funded in this first phase:

- The transitional housing (T-shelter) project was implemented by two international groups: International Organization of Migration (IOM) and Cooperative Housing Foundation (CHF). The project completed 4,434 t-shelters and closed after the transitional housing needs had successfully been met. Survey results show that 95% of the beneficiaries felt that temporary housing enabled them to resume their normal household activities.

- The Community-Based Settlement Rehabilitation and Reconstruction Project (CSRRP) also provided 2,489 t-shelters. The project has completed 7,631 earthquake-safe houses and 7,522 houses are under construction, of which 75% are nearing

completion and expected to be completed mid 2008. Infrastructure reconstruction and rehabilitation completed thus far include village roads and footpaths, retaining walls, water supply facilities, and sanitation facilities. Community centers, a health center and a market have also been rehabilitated to date. The project also oversees the management of Community Settlement Plans (CSPs) of 100 villages that receive more than US$27,000 block grant per village.

The second phase focuses on the Recovery of Livelihoods scheduled to start in June 2008 by two implementers, International Organization for Migration (IOM) and German Technical Cooperation Agency (GTZ). The planned projects are to:

- Enhance access to finance linked to technical assistance for micro and small enterprises (MSEs)
- Support earthquake affected defaulting lenders to develop effective strategies for viable enterprises
- Establish soft-loans mechanisms to rehabilitate damaged medium-size business infrastructure and capital equipment

As of March 31, 2008, the Java Reconstruction Fund has received US$ 83.86 million out of the US$ 84.07 million pledged, and US$49.58 million has been disbursed. More than 90% of total pledges have been allocated or committed to projects. By the end of 2008, it is expected that all funds will have been allocated, and 87 percent of total contributing will have been disbursed.

The lessons learnt over the past two years highlight the importance of a strong working relationship between the JRF and the Government of Indonesia; the role that the community-based approach has played in the effective implementation of the projects; the need to provide technical capacity to communities to ensure houses are earthquake resistant; and the importance and challenge of implementing seismic safety standards in building and infrastructure construction.
A Sabdodadi villager of Bantul expresses her joy at the completion of her house in February 2008.

Photo by Nia Sariasti

TWO YEARS AFTER THE JAVA EARTHQUAKE AND TSUNAMI: IMPLEMENTING COMMUNITY BASED RECONSTRUCTION, INCREASING TRANSPARENCY

CHAPTER 1: OVERVIEW OF THE JAVA RECONSTRUCTION FUND
Chapter 1: Overview of the Java Reconstruction Fund

In mid-2006, two disasters struck the southern and central regions of the densely populated island of Java within a period of two months. In the early morning of May 27, an earthquake measuring 5.9 on the Richter scale struck the province of Yogyakarta and an area of the Province of Central Java, claiming more than 5,700 lives. The initial estimate of houses destroyed and damaged was more than 350,000. The total damage and losses to the housing, infrastructure and productive sectors was assessed at US$ 3.1 billion. Subsequent verification by central and provincial government confirmed that more than 280,000 were uninhabitable, marking this as one of the worst disasters in recent years.

Two months later, on July 17, a second major submarine earthquake of magnitude 7.7 on the Richter scale struck off the Southern coast of Java, creating a tsunami that displaced over 29,000 people and took more than 650 lives. Along the coast of Ciamis, close to 6,000 families were displaced. In total, over 1,900 houses were destroyed and 514 were heavily damaged.

Under the leadership of the Coordinating Ministry of Economic Affairs, the Government of Indonesia set up a National Coordinating Team by Presidential Decree 9/2006 to effectively respond to the recovery assistance needs of these areas. In addition, two provincial implementing teams were set up, each chaired by their respective governor. In carrying out its duties, the National Coordination Team is assisted by a National Technical Team (TTN). The National Planning Agency (Bappenas) prepared an Action Plan for the Rehabilitation and Reconstruction for the Post Earthquake Affected Areas in the province of Yogyakarta and Central Java in June 2006.

Java Reconstruction Fund: For the People of Yogyakarta and Central Java

In response to the disasters, the European Commission and the Governments of Netherlands, United Kingdom, Canada, Finland, and Denmark stepped forward to contribute US$ 84 million to the Java Reconstruction Fund managed by the World Bank. The JRF was established at the request of the Government of Indonesia to support the central and provincial governments’ reconstruction and rehabilitation efforts in the earthquake and tsunami affected areas.

Since its inception, the Java Reconstruction Fund has aimed at creating ownership and aligning activities with the government’s reconstruction plan and agenda, and managing for results.
Creating Ownership and Working with Government

The Java Reconstruction Fund has established a close working relationship with the Government of Indonesia at all levels. Over 71% of JRF funds are implemented by government agencies and channeled through the Government budget to promote the ownership of the government.

The Steering Committee, co-chaired by the representative from the National Coordinating Team, European Commission and the World Bank as Trustee, is the decision making body of the JRF that is responsible for: (i) endorsing overall priorities and proposals, (ii) reviewing Fund progress, (iii) ensuring coherence and collaboration with GoI action plan and the results framework. In this way, the strategies and portfolio of the Java Reconstruction Fund are aligned with the National Action Plan for Rehabilitation and Reconstruction with respect to: (i) Recovery of Housing and Settlement, (ii) Recovery of Public Infrastructure and (iii) Revitalization of Community and Regional Economy.

Managing for Results

The Java Reconstruction Fund strives to ensure the quality of its portfolio, thereby most effectively and efficiently delivering results to beneficiaries.

The main focus during project preparation, monitoring and evaluation is on project outcomes. Project progress and targets are periodically reassessed to ensure that critical needs are met and funds are used effectively. During project implementation, government agencies and donors participate in bi-annual supervision missions for each project where the progress, challenges, and lessons learned are examined, and future remedial actions are discussed. By ensuring that these inputs are reflected in its portfolio, the Java Reconstruction Fund further enhances the quality of results.

Two Steering Committee meetings and ten Technical Review meetings of the JRF have been held since the inception of the JRF to develop permanent housing projects assess the critical needs of livelihoods rehabilitation in the region and review the most effective intervention strategies.
Project progress and targets are periodically reassessed to ensure that critical needs are met and funds are used effectively.

Recovery Progress After Two Years

Two years later, recovery efforts, led by the Government of Indonesia, have been relatively swift. As of December 2007, approximately 279,000 houses were reconstructed and 97.3% of the people resettled.1

The two provinces have taken different approaches to permanent housing recovery: Central Java evenly distributed its shelter grant among affected households, while Yogyakarta provided a government grant to community groups that prioritized funding distribution among members of the community. By March 2008, beneficiaries in Yogyakarta and Central Java had each received on average Rp. 25 million.

Recovery of public infrastructure and facilities to support the revitalization of social lives and economic activities is another pillar of the post-earthquake recovery policy. According to the mid-term evaluation conducted by the National Planning Agency (Bappenas), a large portion of the recovery of public infrastructure is funded through sectoral funding from the ministries/institutions (Rp. 780 billion) and by donors, NGOs, and community self-funding (Rp. 3.4 trillion).

The proposed recovery of the regional and community economies is slower than anticipated. A survey conducted by the UNDP2 in April 2007 indicated that 95 percent of affected entrepreneurs’ business activities have been resumed; however, 53 percent of affected enterprises are still struggling to reach pre-earthquake capacities. The mid-term evaluation conducted by the Bappenas concludes that the funding gap in the productive sector recovery amounts to Rp. 1.0 trillion (US$ 106 million) and that the estimated total funding required in this sector is Rp. 1.3 trillion (US$ 138 million). Two livelihoods support projects were prepared and will commence soon. These projects focus on the rehabilitation of micro, small and medium sized enterprises affected by the earthquake.

1 From the speech delivered by Mr. Djoko Kirmanto, the Minister of Public Works, during a seminar on The Thanksgiving Gathering of the Java Reconstruction Fund: Achievements And Looking Ahead, Yogyakarta, April 22, 2008.
Beneficiary of Kayongan, Sabdodadi poses in their recently completed house. JRF-CSRRP has completed all 96 houses planned to be built in Sabdodadi.

Photo by Nia Sarinastiti

TWO YEARS AFTER THE JAVA EARTHQUAKE AND TSUNAMI: IMPLEMENTING COMMUNITY BASED RECONSTRUCTION, INCREASING TRANSPARENCY

CHAPTER 2: PROJECT PORTFOLIO
Chapter 2: Project Portfolio

Overview

The Java Reconstruction Fund supports two platforms of activities:

I. Recovery of Housing and Community Infrastructure
II. Recovery of Livelihoods.

Two projects have been funded to respond to the most basic needs of the affected households, in terms of rebuilding housing and community infrastructure. Two additional projects have been endorsed for financing to support the recovery of livelihoods.

### TABLE 2.1 JRF FINANCED PROJECTS

<table>
<thead>
<tr>
<th>No.</th>
<th>Projects</th>
<th>Implementing Agency</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1</td>
<td>Transitional Housing Projects</td>
<td>IOM and CHF</td>
<td>US$ 2.32 million</td>
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<tr>
<td>2</td>
<td>Community-Based Settlement Rehabilitation and Reconstruction Project (CSRRP)</td>
<td>Ministry of Public Works</td>
<td>US$ 61.0 million</td>
</tr>
<tr>
<td>3</td>
<td>Access to Finance and Capacity Building of Earthquake Affected Micro and Small Enterprises</td>
<td>IOM</td>
<td>US$ 4.48 million</td>
</tr>
<tr>
<td>4</td>
<td>Livelihood Recovery for Yogyakarta and Central Java</td>
<td>GTZ</td>
<td>US$ 9.85 million</td>
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</table>

During the first phase of the JRF, the focus was on providing housing. Firstly, immediate needs were dealt with through the provision of transitional shelters, followed by addressing longer term needs through community-based settlement rehabilitation and reconstruction of permanent housing. In its next phase, the JRF is supporting the rehabilitation of livelihoods of micro, small and medium sized enterprises affected by the earthquake.

### TABLE 2.2 IMPLEMENTATION PERIODS OF JRF FINANCED PROJECTS

<table>
<thead>
<tr>
<th>Area of JRF Support</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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<tbody>
<tr>
<td>1 Recovery of Housing and Community Infrastructure</td>
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<td>Transitional Housing</td>
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<td>Community-Based Settlement Rehabilitation</td>
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<tr>
<td>2 Recovery of Livelihoods</td>
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<td></td>
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<tr>
<td>Rehabilitation of Micro/Small/Medium Enterprises</td>
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Key Results Achieved by the Java Reconstruction Fund

Within the first year after the disaster hit the region, JRF provided 6,923 temporary shelters through these projects while permanent housing was under construction. Among these beneficiary families, 95% of the households felt that temporary housing enabled them to resume their normal household activities.

As of March 2008, the construction of 7,631 permanent houses has been completed. An additional 7,522 houses are mostly in the final stages of construction with completion expected in June 2008. It is encouraging that 95.7% of beneficiaries expressed their satisfaction with the reconstructed permanent housing.

The rehabilitation of infrastructure that was prioritized as urgently needed, such as damaged roads, retaining walls, and water facilities, was completed by early 2007. These investments have effectively aided the recovery process.
JRF efforts to support disaster risk reduction include the construction of earthquake-resistant housing. Furthermore, through the formulation of Community Settlement Plans (CSPs) - mid-term village development plans - communities identify potential disasters that could affect their villages, review old village development plans made before the earthquake, and prioritize community needs in building safer communities. Such needs include physical needs (e.g. evacuation roads or retaining walls) and non-physical needs (e.g. periodic drills or awareness trainings). Based on the CSPs, JRF will support the reconstruction of community infrastructure.

To date the support for the recovery of the productive sector has been limited. JRF will provide the largest support to rehabilitation of livelihood means in the coming years. Two livelihoods assistance projects aimed at assisting micro, small and medium size enterprises will commence in mid 2008.

2.1 Recovery of Housing and Community Infrastructure

The recovery of housing and settlements to seismic resistant standards is one of three pillars of the post-earthquake recovery policy formulated in the directives of the President of the Republic of Indonesia dated June 2006. Initial Damage and Loss Assessment conducted weeks after the earthquake estimated that a total of 358,693 houses were damaged or destroyed. Subsequently provincial government confirmed that more than 280,000 of these houses were uninhabitable, of which 177,469 were located in Yogyakarta and 104,084 were in Central Java.

To contribute to the overall recovery process led by the Government of Indonesia, the Java Reconstruction Fund provided families and communities with transitional housing as well as permanent housing and infrastructure through its Transitional Housing Projects and Community-Based Settlement Rehabilitation and Reconstruction Project (CSRRP).
The projects aimed to provide safe and durable transitional housing to eligible earthquake-affected families while permanent houses are rebuilt; thereby promoting early resumption of household activities. The project was completed and closed after the transitional housing needs had successfully been met.

The provincial governments of Yogyakarta and Central Java, together with the UN-led Early Recovery Cluster, developed a joint strategy to accelerate the reconstruction process. This strategy addressed the need for temporary housing, while adhering to the government’s plan for permanent housing reconstruction. The needs for temporary housing were estimated to be 45,000 in September 2006. In response to this strategy, the projects were designed to provide 24,000 families with safe and durable transitional shelters, partially meeting the overall demand for more than 45,000 shelters.

By closely coordinating with relevant stakeholders, the implementing agencies identified target families who had not received any assistance. All those who lived in the earthquake-affected areas had adequate shelter while their permanent homes were being rebuilt. The projects prepared prefabricated housing kits, distributed the kits to families in need, and assisted families in constructing their roof structure houses consisting of bamboo columns, roof trusses, bamboo sheet walls and clay roof tiles. The shelter design included shop-built components that could be transported to the villages in a kit form. This allows construction time in the field to be reduced by at least fifty percent and virtually guarantees structural integrity of the finished shelter. Roof structures are built to seismic resistant standards and can withstand the weight of a tile roof.

A Mid-Term Review conducted by the World Bank in March 2007 found the project to be on course in achieving its development objective. Targets for temporary housing construction were reduced, based on

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<th>TRANSITIONAL HOUSING PROJECTS</th>
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<tr>
<td>Grant Amount</td>
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<td>Implementation Period</td>
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<td>Partner Agency</td>
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<td>Implementing Agencies</td>
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Photo by Nia Sarinaesti
diminishing need for transitional houses. Such decrease in demand for transitional houses was primarily due to the successful implementation of the Government of Indonesia's permanent housing program. Approximately 150,000 permanent houses were completed by the Government within a year after the disaster, which was unprecedented in terms of speed and coverage. After meeting the remaining needs of temporary housing, the projects closed in June and August 2007.

**Results Achieved**

- Over 95% of beneficiary households felt that temporary housing enabled them to resume their normal household activities (e.g. children can study; family members can conduct economic activities at home; protection from rain and adverse weather conditions).
- A total of 4,434 families received and constructed transitional houses; IOM provided 1,586 and CHF provided 2,848 transitional houses that conformed to the pre-agreed specifications.
- Beneficiary satisfaction with constructed temporary housing was very high: 92-97% for men and 94-100% for women in Yogyakarta and Central Java.
- 57% of beneficiaries continue to use t-shelters as an extension of their newly built permanent houses or other facilities such as kitchen, warehouse, mini-store and animal stalls. 17% of beneficiaries utilized components/materials of their t-shelter when constructing their permanent houses.

**Lessons Learned**

- The provision of transitional shelters proved to be effective in meeting the basic immediate needs for those assisted by the project. Beneficiaries were able to resume their daily life activities quicker than if they would have to wait for permanent housing.
- Working with local partners made it easier to reflect the changing needs for transitional shelters. The need for transitional shelters reduced dramatically during the course of implementation. Close cooperation with local governments and implementation through a grass-root level institution made it possible for the project to reflect these changes and adjust its target.
- Standardized roof structure design and materials may have caused a lack of flexibility. Roof structures had standardized design and materials to allow rapid installation. This, in turn resulted in inflexibility in two aspects:
  I. A fixed design of roof structures required a certain size or form of land to be installed on. Therefore certain beneficiary candidates were not able to get support from the project.
  II. The use of bamboo as a standard material affected the speed of delivery and the rate of utilization. During the recovery process, the demand for bamboo greatly increased in DIY and Central Java, which forced the project to procure bamboo from other districts. Additionally, high demand for bamboo resulted in the supply of lower quality bamboo which affected the durability of roof structures.
- Strong capacity of local Institutions play a key role in rapid recovery One key to the rapid recovery of the earthquake-affected region was the strong capacity of many local institutions. Unlike the experience of the Aceh tsunami in 2004, almost all local institutions in Yogyakarta and Central Java had functioning capacity after the disaster. This variability in the effect of disasters upon local institutions must be taken into account in future regional disaster recovery scenarios.
Many dusun (sub-village) members in Sleman regency are not only using their transitional houses (T-Shelters) as living quarters, but have come up with other innovative uses for these spaces.

Villager Titi Wahyuni of dusun Candisingo has opened a warung (a stall) in her shelter, selling traditional Javanese salad lotek (assorted raw vegetables mixed with peanut sauce), snacks, and drinks. From her warung, one can see the mattress where she, her husband, and their two children sleep. There is a bamboo partition separating the sleeping area from the stall. She said life goes on and she has to earn a living. “Before we got this shelter, I sold snacks in our makeshift tent to earn some money,” Titi, 33, said.

She and her husband, Agus Mujiono, 35, have placed two wooden benches and a small television set in the warung. “They’re for serving the customers better,” she says. Thanks to the street side location of their house, her business is doing quite well. Titi said she hopes to keep the transitional shelter as a warung for as long as possible. She adds that she is anxious for her permanent house to be completed so that she can then convert the whole T-shelter into a warung.

Not far from Titi’s hometown, in dusun Tinjon of Madurejo village, Tri Yanto, 28, and his wife, Sakti Wijayanti, 28, also hope to soon move into their permanent house. When they do, Tri said, they intend to keep their shelter as an extension of their new permanent house. “It’s the only way we could have a bigger house we otherwise could not afford,” Tri said.

Like Titi’s T-Shelter, Tri also has a 24-sqm transitional house that is divided into two parts using a bamboo-mat partition. One section is used as a bedroom and the other space is the living area and kitchen. “I hope to give my wife a decent kitchen one day, bigger than that corner over there,” Tri said, pointing to the narrow corner where his wife usually cooks their meals on a kerosene stove.

While families like Tri and Titi still hope to keep their transitional house as part of their living quarters, Tri’s neighbor, Ahmad Juari, 82, has his own ideas. Ahmad said he and his wife no longer need to live in the T-shelter as their permanent house was completed in early 2008. They now live in their new house. “Being an animal farmer, my choice was to use the shelter as a chicken house,” Ahmad said. About 50 chickens are now the latest beneficiaries of Ahmad’s former T-Shelter.
The project will rebuild 15,153 earthquake-resistant houses and community infrastructure, and implement disaster preparedness and mitigation investments in 100 villages, using a community-driven approach to planning, prioritization, and implementation. The project was targeted to construct 18,000 houses and community infrastructure in 60 villages; these targets were revised based on reassessment of need.

The project aims to meet the needs for seismic resistant housing of targeted households and community infrastructure in selected disaster affected villages. It builds on the community-based Urban Poverty Program and the Kecamatan Development Project at village level in urban and rural areas respectively. The project supports community planning to select and prioritize beneficiaries and develop community settlement reconstruction plans that include spatial planning and disaster risk reduction management strategies in selected villages – a pilot program. Communities then receive block grants according to their needs, and funds are disbursed in installments based on progress. This approach supports effective targeting and transparency through social accountability.

The Government of Indonesia decided that the project should primarily focus on delivering houses and defer the rehabilitation of community infrastructure. It is expected that the community infrastructure construction component will speed up its implementation during 2008.

Results Achieved

- Permanent Housing Recovery: the reconstruction of 7,631 houses to appropriate earthquake-resistant standards has been completed (2,121 houses in Klaten, Central Java and 5,510 houses in Bantul, Yogyakarta). Technical audit by two leading universities (Gadjah Mada University in Yogyakarta, and Diponegoro University in Central Java) reported that these houses are seismic resistant and generally of good quality. More than 90% of completed houses are occupied.
- Construction of Necessary Emergency Infrastructure: approximately 123km of village roads and footpaths, 37km of retaining wall, 6,000 water supply facilities, and 200 sanitation facilities were restored. 1,097 community centers, one health center and one market were rehabilitated. Overall these investments have enhanced the immediate recovery of communities.
- Transitional Shelter: Using a community oriented approach, 2,489 families received transitional housing constructed within a month of the launching of the projects.
- Community awareness was raised regarding safe house construction methods.
- The project has made significant efforts to implement requirements for the usage of legal timber by beneficiaries. The percentage of houses using legal timber is 93%.
Lessons Learned and Actions Taken

- Effective implementation requires significant investment in building the capacity of facilitators to supervise the construction process, support communities in financial management, and manage quality control. While overall facilitator performance and management is adequate, several improvements were adopted:
  
  I. Technical support to facilitator teams to strengthen technical capacity to improve quality of the work
  II. Reflection meetings on the findings from the technical audit are conducted among facilitators in order to increase the technical capacity

- Addressing needs of larger families was challenging. For future housing reconstruction projects, a two phase approach is suggested; a first phase could target heavily damaged houses, while the second phase could concentrate on families that are in need of extra houses due to multiple-family occupation.

- Early technical audits enhance quality assurance of houses. Early technical audits have allowed adjustment to houses prior to reconstruction completion and have provided opportunities for improvement in the reconstruction of other houses.

- A community-based approach has proven beneficial in terms of cost efficiency and speed of delivery in post-disaster housing reconstruction.

Outlook and Challenges

- The construction of 7,522 houses is ongoing, 76% of which are in the final stages of completion. Most of these houses will be completed by June 2008.

- The project provided support to communities to construct earthquake-resistant housing. It was noted that enhancing community awareness and capacity on seismic standards is important in ensuring that beneficiaries maintain and expand their houses to the required standards in the future. The project will provide further training to house owners concerning proper earthquake resistant construction methods.

- It is now expected that the preparation of most CSPs will be completed in 100 selected villages by July 31, 2008. The project team will be working towards increasing the participation of women and vulnerable groups, especially focusing on prioritizing community projects and disaster risk reduction.

- An initial grant worth Rp 250 million (US$ 27,000) will be provided to each of the 100 villages to restore critical priority infrastructure needs based on CSPs. These funds will cover community-proposed basic infrastructure projects that are aimed at developing village resilience against disasters. Subject to successful implementation of the initial grant, the community could apply for additional grants of up to Rp 2 billion (US$ 215,000).

- Numerically the participation of women and vulnerable people appears to be satisfactory. However, project team found limited meaningful participation in the planning, implementation, and monitoring of housing construction and CSPs formulation. Additional trainings for facilitators to organize special training and reflection meeting with women and vulnerable group will be provided.
Despite facing hardships since losing their homes and loved ones, beneficiaries of the Java Reconstruction Fund in Bantul regency seem to have beaten the odds and moved on with their lives, some even with a touch of style. In the villages of Sabdodadi and Sitimulyo, many newly-constructed houses are eye-catchingly painted in cheerful tints of pink, yellow, green, blue and red.

In dusun Padangan (a sub-village of Sitimulyo), Tito Judi, 47, owns a house painted with so many cheerful colors that locals refer to it as a kindergarten. This makes him proud. He has lived alone in his new house since early 2008. He lost his adopted son in the earthquake that shattered his former house, and his wife fell ill and died in June last year.

“The cheerful colors help to lift my spirits,” Tito said.

In neighboring Sabdodadi village Dukuh, Mujiyem, 30, talks about the color of her 30-something-sqm house: “I like pink, so do my two children. I had the freedom to color my home.” “Our house may be small and humble, but what’s more important to us is that it is comfortable to live in, quite nice-looking and bright,” she says.

Her neighbor, Heri Pranoto, 51, says the colorful houses are a clear sign of change. “This is quite different from the past. The colors of the houses here used to be boring white or cream,” said Heri. His back and right leg were paralyzed when he was pinned down by the walls of his house during the earthquake. He now prefers to sleep in a temporary shelter at night.

Unlike Mujiyem, though, Heri admits he had to argue with his teenage children to get the colors that he wanted for the house. “But we finally agreed that they can paint their bedrooms as they like, while I do the living room,” he said. He chose dark orange for the living room.

Heri also decided to decorate his veranda with green bathroom tiles, despite his children’s accusations that he was being ‘untrendy’. “Let them protest, I don’t care,” said Heri. “Another reason for the many colors is because people could not buy many colors at once, so they bartered,” he said.

Stories of Beneficiaries

“The cheerful colors help to lift my spirits.”

Cheerful colors adorn JRF beneficiaries’ houses

[Photo by Christiani Tumelap]

“Tito Judi of sub-village Padangan poses in front of his house. His house’s cheerful colors help him overcome grief caused by the loss of son in the earthquake and wife shortly after. [above] Mujiyem of Dukuh sub-village and her two children find their new pink house a comfortable and nice-looking place to live in.”
In Bantul regency’s sub-villages or dusun, many villagers have learned the art of project management thanks to the Java Reconstruction Fund community based approach used during the rebuilding of their homes.

Initially, these villagers questioned the necessity for the JRF’s demanding work process, but they have since realized that there are other, intangible results that may even outlast the physical achievements of the reconstruction process.

“It has benefited us as a community, we have become more closely knit,” said Uun Darminto, 34, of the Sitimulyo village’s dusun Cempoko Jajar. “It has also benefited many of us individually. Some of us have become more eloquent communicators, like Wikar,” he said, referring to his friend Wikaryono, 36, who headed their group.

Beneficiaries were required to work in groups of up to 15 people. Under the supervision of local JRF facilitators, these groups had to develop a collective work plan which complied with all rules and requirements as set out by JRF, including prudent budgeting.

“It was very hard for us at first because we practically knew nothing about running a project, not to mention all those technical terms,” Wikaryono said, adding “We got so exhausted at one point we wondered why they made it so difficult for us. In the end, however, we all agree that it was all worth it.”

“Without the group work process we actually could not have completed our rebuilding process on time and with such limited resources,” Wikaryono notes. All the houses in his village have been rebuilt.

Hermanto of dusun Neco in Sabdodadi village shares a similar story.

“It was like a full time job for us all, this group work process,” said the 35-year-old who led a group of six beneficiaries. Hermanto recalls how his group met time after time, discussing and agreeing on each step needed to complete the housing reconstruction process.

“We basically needed to unanimously agree on what our priorities should be, and then follow them through. Like deciding whose house to rebuild first as the money was not all received at once, but in several installments.”

“I got so busy working I even forgot the joy of gambling,” he reveals.

His wife, Widarsih, 36, expresses her gratitude to the Java Reconstruction Fund: “The JRF has brought back a responsible husband!” she says.

Dusun Sanansari community leader, Sugeng Raharjo, 40, recollects how the group process helped his villagers reach the decision to install a water pipe to the village, which is about 1,000 meter above sea level.

“We also worked together when installing the pipe,” he said. “Previously it was about two kilometers from the nearest water source to houses in this village.”

“Villagers now no longer have to walk down hill and then up again, or pay too expensively for our water,” Sugeng said. “Water is near our front yard now. We have become more prosperous in this regard.”

“The process itself has also given us self-respect as it was us who decided to do what we agreed was the right thing to do,” he adds.
2.2 Recovery of Livelihoods

The Preliminary Damage and Loss Assessment estimated the damage in productive sectors to be US$ 1 billion, affecting 650,000 workers. It also concluded that 30,000 enterprises, mainly micro and small and medium size businesses, were directly affected. It is estimated that approximately 116,000 livelihoods were affected.

The reconstruction efforts led by the Government of Indonesia (GoI) have been effective in the reconstruction of housing and significant progress has been made in repairing the infrastructure. Despite this success, the region has shown slow recovery from the damage and losses suffered by businesses in the productive sector. An April 2007 business survey conducted by the UNDP indicated that, although 95 percent of affected entrepreneurs’ business activities have resumed, only 47 percent of these have reached the same level as pre-earthquake capacities. To increase this figure, the report concluded that external support is required.

To most effectively utilize its remaining funds to rehabilitate livelihoods, Java Reconstruction Fund commissioned an independent assessment of livelihoods needs. The scope of the study was to:

- identify productive sectors which were mostly affected by the disaster
- map ongoing livelihood restoration projects
- identify critical remaining needs for restoration of livelihoods
- recommend suitable and sustainable interventions

Based on the assessment, the Technical Review Committee of Java Reconstruction Fund recommended three strategic focuses for livelihood rehabilitation:

- Enhancing access to finance linked to technical assistance for micro and small enterprises (MSEs)
- Supporting earthquake affected defaulting lenders to develop effective strategies for viable enterprises
- Establishing soft-loans mechanisms to rehabilitate damaged medium-size business infrastructure and capital equipment

Following a review of 57 project concepts, submitted by bi/multi-lateral agencies as well as local and international NGOs the Steering Committee unanimously endorsed two Project Concept Notes (PCNs) for Java Reconstruction Fund financing on October 2007. The project will be implemented by the GTZ and IOM, with the World Bank as Partner Agency.

These two projects will be aimed at the restoration of micro, small, medium enterprises by addressing the main barriers to their recovery. This will be achieved through a comprehensive package of targeted assistance in coordination with and complementing the efforts of the Government of Indonesia and the donor community. The project appraisal is expected to be completed in May 2008 and implementation will commence in June 2008.

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The project will aim to support the recovery of micro and small enterprises (MSEs) in Yogyakarta and Central Java and enable them to reach their pre-earthquake capacity through enhanced access to finance and targeted technical assistance.

The main activities include:
- **Capacity Building**: Technical assistance and training for skills development and capacity building will be provided to the MSEs identified through livelihood, market and environmental impact surveys.
- **Asset Replacement**: In kind support will be provided to highly vulnerable but viable MSEs to restore their infrastructure and physical assets that are essential for operations.
- **Expanding Market Access**: The project will help MSEs recover former buyers and customers or explore/attract new ones.
- **Enhanced Access to Finance**: Small loans will be provided to viable MSEs, through Permodalan Nasional Madani (PNM) as the Apex institution, by microfinance institutions.

**Expected Results**

Up to 3,000 home industries, micro-enterprises and small businesses across a variety of industry sectors are expected to resume their business activities and to pre-earthquake level or better with improved business management skills.
This project aims to assist micro, small and medium enterprises (MSMEs) affected by the earthquake to revitalize their businesses and to re-integrate affected low income communities back into economic life. The project particularly focuses on remote communities which have received little assistance so far.

The project will provide financial and technical assistance to MSMEs through PNM and microfinance institutions/cooperatives, concentrating on:

- Defaulting loan resolution strategies for viable enterprises: The project will assist eligible SMEs whose loans with BPRs are in arrears to renegotiate/work-out the loans.
- Support to Medium Enterprises: Loans will be provided to eligible medium-size enterprises for capital investments towards civil works or replacement of machinery.
- Enhanced Access to Finance: Credits and technical assistance will be provided to eligible MSEs, through PNM, by partner financial institutions.

**Expected Results**

Micro/small/medium enterprises will revitalize their business activities and increase their competitiveness. Low income communities, affected by the earthquake will be reintegrated back into economic life.
Villagers in Bantul regency are emerging as industrious home-based entrepreneurs, thanks to the completion of permanent houses sponsored by the Java Reconstruction Fund.

Supriapti, a 34 year old divorcee with two children, lives in dusun Karang Ploso in Sitimulyo village. She said that, since moving into their new two-bedroom house in early 2007, she has been able to set up a proper work station for her bed linen business.

"Now that I have a house, my cutting and sewing rooms are better organized," said Suprapti. Since moving into the new house her monthly earnings have increased from around Rp2 million to Rp3 million, and she is receiving orders from as far as Jakarta, Bandung (West Java), Lampung (Sumatra), Balikpapan (East Kalimantan) and Sorong (Papua).

Mujiyatmi (44), a JRF beneficiary in dusun Sarirejo in Sigosaren village, has found her new home beneficial to the family’s main source of livelihood, a small silver-craft business.

"Had it not been for the Java Reconstruction Fund’s assistance, we would not have had this work area," Mujiyatmi says, referring to her present work station, a 2x6m room adjoining their temporary shelter and new house.

Since moving into their new house early this year, Mujiyatmi and her brother-in-law, Maryono, 44, have been able to work longer hours than when they were living in their temporary house. This has enabled them to generate more income.

Until January 2008, they had to stop working shortly after dusk, as their 24-sqm work place would then turn into a bedroom. Four other people shared the bamboo-mat-walled shelter, including Mujiyatmi’s mother, and Maryono’s wife and the couple’s two children.

Since moving into their new 36-sqm, two bedroom permanent house, their temporary shelter has been used as both the children’s study area and a kitchen.

Completion of JRF houses improves livelihoods of beneficiaries

Beneficiaries who have used their new houses both as living and working spaces: [above] Self-styled bedding entrepreneur Suprapti of Karang Ploso sub-village works in her newly-built house; [left] Mujiyatmi of Sarirejo sub-village and her brother-in-law Maryono busy with their silver works.

Stories of Beneficiaries

“Now that I have a house, my cutting and sewing rooms are better organized.”

CHAPTER 2: PROJECT PORTFOLIO
More than 9,000 tumpengs prepared by the communities of Bantul and Klaten on April 22, 2008 are laid out to thank the JRF and Government of Indonesia. JRF and Bantul Regency received certificates from the National Museum of Records (MURI) for the initiative and efforts in organizing a mass production of tumpengs. [below] “Ambassador of JRF” (left) works together with the “Government of Indonesia” (right) to rebuild post the earthquake and tsunami. The dance reflected how JRF and the Government of Indonesia have jointly worked hand in hand.
Chapter 3: Communication - Building Transparency with Stakeholders

In order to enhance transparency and engagement with stakeholders, the Java Reconstruction Fund disseminates information regarding its portfolio, projects and events. Key stakeholders include beneficiaries, donors, other partner organizations, media and the public. The main strategy is to focus on communicating to the various stakeholders through regular reporting such as publications, outreach to beneficiaries and community groups, feedback handling, media relations, and visibility programs.

Leveraging Communication Tools

To reach out and report to its stakeholders, the Java Reconstruction Fund adopts various communication tools.

1. Reports and Publications

In addition to its annual public report, supplementary updated fact sheets are developed on a quarterly basis. The report and fact sheets are distributed through direct mail, events and are available at major libraries.

The reports are also published in the website: javareconstructionfund.org. Since it was launched in October 2007, the website provides information on the purpose, operations, governance structure and Secretariat of the Java Reconstruction Fund, messages from the team, co-chair and donors. It also contains a list of meetings, an overview and updates of projects, finance information (which cover commitments, disbursements, allocations), and the publications and media page which hosts reports, publications, press releases and a selection of media coverage.

**BOX 3.1 COMMUNITY WIDE EVENT – BANTUL CELEBRATION**

On April 22, the Java Reconstruction Fund and the District Management Consultant for the JRF CSRRP Housing project, together with the Bantul, Yogyakarta government held a community wide event to thank Donors of the Java Reconstruction Fund. In addition to traditional and newly choreographed dances and music, the people of Bantul, Yogyakarta and Klaten, Central Java communities prepared more than 9,000 tumpeng – cone shaped rice with mix of meals offered during celebrations – to symbolize the number of house structures completed. Witnessed by the National Museum of Records, it was officiated that Bantul broke the national record of 4,600 tumpeng previously held by Cilacap.

The Bupati of Bantul, Dr. HM Idham Samawi said, “This event highlights the appreciation of beneficiaries to Donors in trusting them to building their own homes. It has been a remarkable two year reconstruction effort by the community through our ‘gotong royong’ concept and with support from Donors and Central Government.”

JRF Manager, Christian Rey (left) together with Bupati of Bantul Idham Samawi (right) show the certificates presented by MURI representative (center).

Photo by Gabriella Inge M.S.
2. Events

Working together with partners, such as the National Technical Team (TTN) and the World Bank, the Java Reconstruction Fund also participates in events to disseminate information about the Fund. In November 2007, the Fund took part in TTN’s exhibition booth during the Gadjah Mada University Research Week. The World Bank’s Indonesia Development Information Services at Gadjah Mada University also allocated a corner for Java Reconstruction Fund for posters and publications.

The Java Reconstruction Fund also manages special events, such as field visits and, the most recent activity, a series of events that relate to the Java Reconstruction Fund Syukuran: Achievements and Looking Ahead, that included a Seminar on the Yogyakarta and Central Java Reconstruction: Lessons Learned and community celebrations (Box 3.1: Community Wide Event - Bantul Celebration).

Managing Feedback

To reach out to beneficiaries, the projects have relied mainly on the activities of the project implementers through the direct interaction of field facilitators in the communities. This includes discussions with village leaders, public dialogue with beneficiaries, verification and public-review announcements using the sub-district board (See Table 3.1 on Overview of Project Complaint Handling Process). In addition, JRF projects, as part of their project implementation plan, include a feedback or complaints handling system.

The Secretariat, as part of its communication plan, has a mechanism to reach out to beneficiaries through managing feedback, conducting field visits and monthly dialogue with many of its stakeholders.

The Secretariat of the Java Reconstruction Fund forwards complaints directly to projects and monitors feedback from the projects. On a quarterly basis, the Secretariat tracks complaints and the complaints handling process. If needed, based on the degree of importance (large impact, i.e. community wide vs. individual affected cases) separate verifications are conducted directly with beneficiaries to understand the main concerns/issues and whether the solution was satisfactory. For example, this was done in managing complaints and feedback from the Yogyakarta Private Sector Ombudsman and a survey report on targeting of beneficiaries (Box 3.2 Acknowledging Input from Independent Organizations).

### Table 3.1 Overview of Project Complaint Handling Process

<table>
<thead>
<tr>
<th>Projects</th>
<th>Process and Tools</th>
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<tbody>
<tr>
<td>CHF Transitional Housing Projects</td>
<td>Received comments through the Community Outreach Officer and the volunteer teams during site visits and meetings with community leaders and beneficiaries</td>
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<tr>
<td></td>
<td>Placed complaint boxes in villages</td>
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<tr>
<td></td>
<td>Established a telephone hotline monitored during work hours – sms and call-in</td>
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<tr>
<td>IOM Transitional Housing Projects</td>
<td>Established a beneficiary follow up process through visits after a beneficiary receives shelter units</td>
</tr>
<tr>
<td>Community-Based Settlement Rehabilitation and Reconstruction Project (CSRRP)</td>
<td>Established <a href="http://www.rekompakjrf.org/">http://www.rekompakjrf.org/</a> website to compile comments/feedback from various stakeholders, including those that are received as sms, call-in, e-mail and direct meetings</td>
</tr>
</tbody>
</table>
The Java Reconstruction Fund and its projects are open to public scrutiny as part of their commitment to transparency. This was tested during interactions with the Ombudsman Private Sector Institution of Yogyakarta in two cases. First, were the complaints and recommendations submitted October 2007 targeting the District Management Consultant for not identifying and selecting beneficiaries based on the prescribed qualifications. The second was when the Ombudsman released a survey on “Target Accuracy of Java Reconstruction Fund – CSRRP in Bantul, Yogya Special Province” at the end of January 2008.

To assess whether the nature and extent of complaints and how they were managed by the project team, the Secretariat conducted a discussion with the National Management Consultant and District Management Consultant to understand the selection and verification of beneficiaries. One of the important steps to select recipients is the public verification, whereby a list of applicants and reasons for receiving or not qualifying to receive houses are announced openly on official notice boards. If no complaints are lodged within ten days, the house is granted and no additional field check is conducted. This process was checked by the Secretariat during location visits in Kecamatan Bantul, Piyungan and Pleret and the processes were all verified to be done according to the guidelines.

During a meeting with the Ombudsman, the Secretariat noted that it appreciates input from independent organizations as part of its transparency process. The Secretariat also emphasized that it is keen to work together with the Ombudsman in resolving issues related to grants in housing and livelihoods. The Ombudsman in return recommended that the Java Reconstruction Fund should have scheduled meetings with stakeholders on the progress of the various existing and new projects.

In the second case, the Ombudsman report asserts that 40% of the beneficiaries have been mistargeted. These findings were based on a survey of 550 respondents. The survey reported that JRF-CSRRP was not accurately targeted: 27.8% did not reconstruct the house on the original place of the earthquake-affected house, 11.5% received aid although they lived in the same dwelling as another household receiving aid; 4.9% indicated that they received aid although their original house was not severely damaged or destroyed; 0.2% indicated that a single household received two houses and a further 0.2% indicated that certain beneficiaries lived outside Bantul when the earthquake struck, yet returned to the area afterwards and received aid. The project team clarified that the beneficiaries are permitted to adjust the location of the houses based on a community consultative process; secondly, traditional multiple households that live together in the same dwelling are entitled to houses if several independent families stay in a single site but in completely separate spaces (including a separate kitchen and other facilities).

Although the Ombudsman misinterpreted the criteria to select targeted beneficiaries, the Secretariat and the JRF-CSRRP Project Team considers the survey to contain valuable information that is instrumental in enhancing transparency and accountability of the project. The JRF-CSRRP project team analyzed the survey, and stated that after eliminating these misinterpretations of criteria of targeting reported in the survey, it is likely that 94.7% of targeted beneficiaries were indeed eligible recipients. The remaining 5.3% of the result may warrant closer investigation in three areas: inaccuracy of damage assessment, more than two households living in the same dwelling received aid, and that the beneficiary lived outside Bantul when the earthquake struck. The World Bank as Partner Agency to the project conducted its own verification for 16 villages and concludes that the issues on correctly targeting beneficiaries based on damage assessment and drawing the line between extended family or second family are quite complex and will need to be managed differently for each case. Engaging community members in discussions and developing understanding amongst them are required steps taken to mitigate concerns.
Media Relations

The media is an effective channel to disseminate information or reporting to the public/mass stakeholders. This was illustrated when a report from the Ombudsman Private Sector Institution of Yogyakarta claiming the mistargeting of allocations for housing was released and interpreted differently by the media. This in turn created some misunderstanding regarding the overall report results. To maintain transparency, promote objective coverage, and ensure that the Java Reconstruction Fund could publicly respond to the report, the Secretariat contacted local and national media for a one-on-one interview and byline writing (see Box 3.3: Making the Headlines).

BOX 3.3 MAKING THE HEADLINES

The Java Reconstruction Fund received negative publicity when the Ombudsman Private Sector Institution of Yogyakarta released its report on “Target Accuracy of Java Reconstruction Fund – CSRRP in Bantul, Yogya Special Province”. However, fearing that the Donors might cancel their funding, the beneficiaries participated in public demonstrations protesting the Ombudsman findings. This was an opportunity for Java Reconstruction Fund to restate its presence and commitment to the community. With the help of the media, the Secretariat and the project team were able to disseminate the message that the report would have no affect on funding allocations and that the JRF will remain committed to the recovery process of the earthquake and tsunami affected areas in Java. Result of Ombudsman research release in Seputar Indonesia (left) states that 40% of JRF grants are misused. Two weeks later, Kedaulatan Rakyat provided a section to write a byline on the overall effect of the report (right).
Summary of Coverage

Seputar Indonesia, 30 Januari 2008: “Bantuan JRF Dikorup (JRF Assistance Corrupted)”. Around 40% of the funding provided by Java Reconstruction Fund is being misused.

The report was presented during a public session in a dissemination session on the “Target Accuracy of JRF-CSRRP”. According to the Ombudsman Private Sector Institution of Yogyakarta there are quite a lot of field evidence that the assistance has been violated by the community. The violations amongst others are: building reconstruction is not at the previous location (62%), manipulation of actual condition of the house (11%), and 26% manipulate the characteristics of the family. According to the report, the misuse of assistance is not only from foreign aid, but also from the government. The Team Leader for the District Management Consultant for the JRF-CSRRP, Teti Sirwanti said that she, as the head of the project in the regency level, has had no communication with the Ombudsman regarding the survey. She was hoping that the Ombudsman would have informed on the survey effort, or at least invite her to the dissemination session. “We have made the best effort to verify with the public on our beneficiary targeting,” said Teti.

Summary of Response Article

The column in Kedaulatan Rakyat states that: (1) input on the programs funded by JRF are appreciated, but will not be adopted immediately since it will need to be rechecked and assessed prior to adoption, (2) majority coverage of the survey from the media do not include comments from related parties, such as JRF and project implementers, (3) minimum understanding of what JRF constitutes of and how it conducts its activities has contributed to the polemic and controversy. In short, the explanation is hope to fill in the information gap and increase awareness that in developing scientific approaches (research studies or reporting) need to be as objective as possible (without being bombastic), especially if it relates to a wider community welfare.
House beneficiary in Sitimulyo village, Kecamatan Pyungan, Bantul embosses JRF as a symbol of appreciation.
Chapter 4: Finance

Pledges

Six donors pledged a total of $84.07 million to the reconstruction and rehabilitation of earthquake and tsunami affected Yogyakarta, Central and West Java. Java Reconstruction Fund has received a total of US$ 83.86 million, as of March 31, 2008. Table 4.1 shows the breakdown of funding commitments made by donors; along with the cash received by the Java Reconstruction Fund to date.

<table>
<thead>
<tr>
<th>Source</th>
<th>Total Pledges US$ million</th>
<th>% Total Pledges</th>
<th>Cash Received US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Commission</td>
<td>51.17</td>
<td>61%</td>
<td>51.17</td>
</tr>
<tr>
<td>Government of Netherlands</td>
<td>12.00</td>
<td>14%</td>
<td>12.00</td>
</tr>
<tr>
<td>Government of United Kingdom</td>
<td>10.77</td>
<td>13%</td>
<td>10.77</td>
</tr>
<tr>
<td>Government of Canada*</td>
<td>6.54</td>
<td>8%</td>
<td>6.34</td>
</tr>
<tr>
<td>Government of Finland</td>
<td>1.99</td>
<td>2%</td>
<td>1.99</td>
</tr>
<tr>
<td>Government of Denmark</td>
<td>1.60</td>
<td>2%</td>
<td>1.60</td>
</tr>
<tr>
<td><strong>Total Contributions</strong></td>
<td><strong>84.07</strong></td>
<td><strong>100%</strong></td>
<td><strong>83.86</strong></td>
</tr>
</tbody>
</table>

* Exchange rate at March 31, 2008; Source: World Bank

Allocations

The Java Reconstruction Fund has allocated US$ 62.32 million to two projects: the Transitional Housing project and the Permanent Housing Project. The previous allocation of US$ 6.64 million for the transitional housing was reduced to US$ 2.32 million due to the reduced demand for transitional houses. The funds not utilized will be allocated for future projects. At the end of 2007, The Java Reconstruction Fund made a commitment to a livelihood project amounting to US$ 14.34 million. The total of the allocation and commitment to projects represent 91 percent of total pledges.

Of the total funds, approximately US$ 8.54 million remains to be allocated to project/s. The available funds have considered interest income from cash in hand, trust fund administration costs, and project supervision costs.

Disbursement

The Java Reconstruction Fund disbursement to projects as of March 31, 2008 is US$ 49.58 million. A large part of the disbursement has been to the Permanent Housing and Community Infrastructure Project, which represents 71 percent of the Java Reconstruction Fund, and the funds are channeled through the Government budget. In total, 80 percent of all allocated funds have been disbursed.
### Table 4.2 Disbursements to Projects - As of March 31, 2008

<table>
<thead>
<tr>
<th>Project</th>
<th>Allocation US$ million</th>
<th>Disbursement US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transitional Housing Project</td>
<td>2.32</td>
<td>2.32</td>
</tr>
<tr>
<td>Permanent Housing and Community Infrastructure Project</td>
<td>60</td>
<td>47.27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>62.32</strong></td>
<td><strong>49.58</strong></td>
</tr>
</tbody>
</table>

### Outlook

Implementation of the housing project is expected to be completed in 2008 but the community infrastructure reconstruction is expected to be extended to 2009.

All funds are expected to be allocated by the end of 2008. The current closing date of the JRF is June 30, 2009. However, given that implementation of recently endorsed projects to rehabilitate livelihoods may extend beyond this date, the JRF closing date is being extended to the end of 2010. The majority of the remaining activities are expected to take place during 2008 (87 percent of total funds are expected to be disbursed by the end of this year).
Chapter 5: Lessons Learned and Looking Ahead

As the region witnesses the second anniversary of the disaster, some valuable experiences have been gained from the recovery efforts in Yogyakarta, Central and West Java.

Strong Cooperation with Governments is Key

The national government delegated implementation of reconstruction to the two provincial governors providing ownership at the local level. The National Technical Team (TTN) supports the National Coordinating Team in coordinating the reconstruction. Provincial and local governments are the main force of implementation of recovery initiatives. This has provided the required on-the-ground knowledge to more accurately orchestrate the reconstruction process and respond to fast changing environments. This has been crucial to the speed of the reconstruction process. The Java Reconstruction Fund has also benefited from the strong leadership of the national and local government and continues to work together through both the Steering Committee and the Technical Review Committee of the JRF.

Community Driven Approach is Effective

A community driven approach to housing reconstruction has proven to be effective in the reconstruction process. The community participation planning process used by the government and the Java Reconstruction Fund has made it possible to effectively target beneficiaries and distribute resources to most vulnerable members of communities. It also enabled speedy delivery of housing reconstruction; within two years after the disaster, the reconstruction of houses has almost come to an end. Satisfaction levels are high as communities take ownership of the process and make consensual decisions regarding their needs. Reconstructed houses have been shown to be up to seismic standards by independent assessments. While attributes specific to the skills of communities in the region has certainly contributed to this, frequent technical and social support provided by facilitator teams to communities has contributed to the quality of the construction.

To further strengthen the approach, the Java Reconstruction Fund will strive to ensure that all voices in communities, including women, youth, and other under-represented populations, are represented, and, more importantly, that their opinions and inputs are valued and considered during the decision making process.

While two years have passed since the disaster hit the region, many needs remain unfulfilled. However, two issues have become important for the next phase of the reconstruction: promoting disaster risk reduction of communities and recovery of livelihoods. While the first reconstruction phase has addressed immediate basic needs of communities, the next phase of projects will contribute to ensuring sustainable recovery from the disaster.
Promoting Planning to Reduce Disaster Risk to Communities

The creation of safe communities is essential for this region where various natural disasters occur every year. The Java Reconstruction Fund will continue to support to reduce disaster risk through promoting the implementation of seismic construction standards. Forthcoming Community Settlement Plans that include spatial planning and disaster risk reduction management strategies will form a basis to build infrastructure promoting safe communities and to raise awareness of communities for disaster risk reduction.

Increasing Transparency for Better Engagement

Efforts related to openness have provided an added value to Java Reconstruction Fund. Input – including critics, suggestion, proposals – provides the opportunity for the JRF Secretariat and its Donors to directly interact with stakeholders and the opportunity to understand hurdles and challenges faced by beneficiaries in the field. By prioritizing on transparency, it has provided an avenue for public debate that would result in the best solutions.

Recovery of Livelihoods

To date, sufficient support has not been provided for the recovery of the regional and community economies damaged by the disaster. Those who lost their livelihood opportunities need access to finance support to revitalize their businesses. The reintegration of affected low income communities back into economic life is a crucial step for the sustainable recovery, especially those communities in remote areas. In the coming years, Java Reconstruction Fund will strive to empower communities through restoring their livelihood opportunities and developing income generation opportunities.
Two Years After the Java Earthquake and Tsunami:
Implementing Community Based Reconstruction,
Increasing Transparency