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*Six Years after the Tsunami:
From Recovery towards Sustainable Economic Growth*



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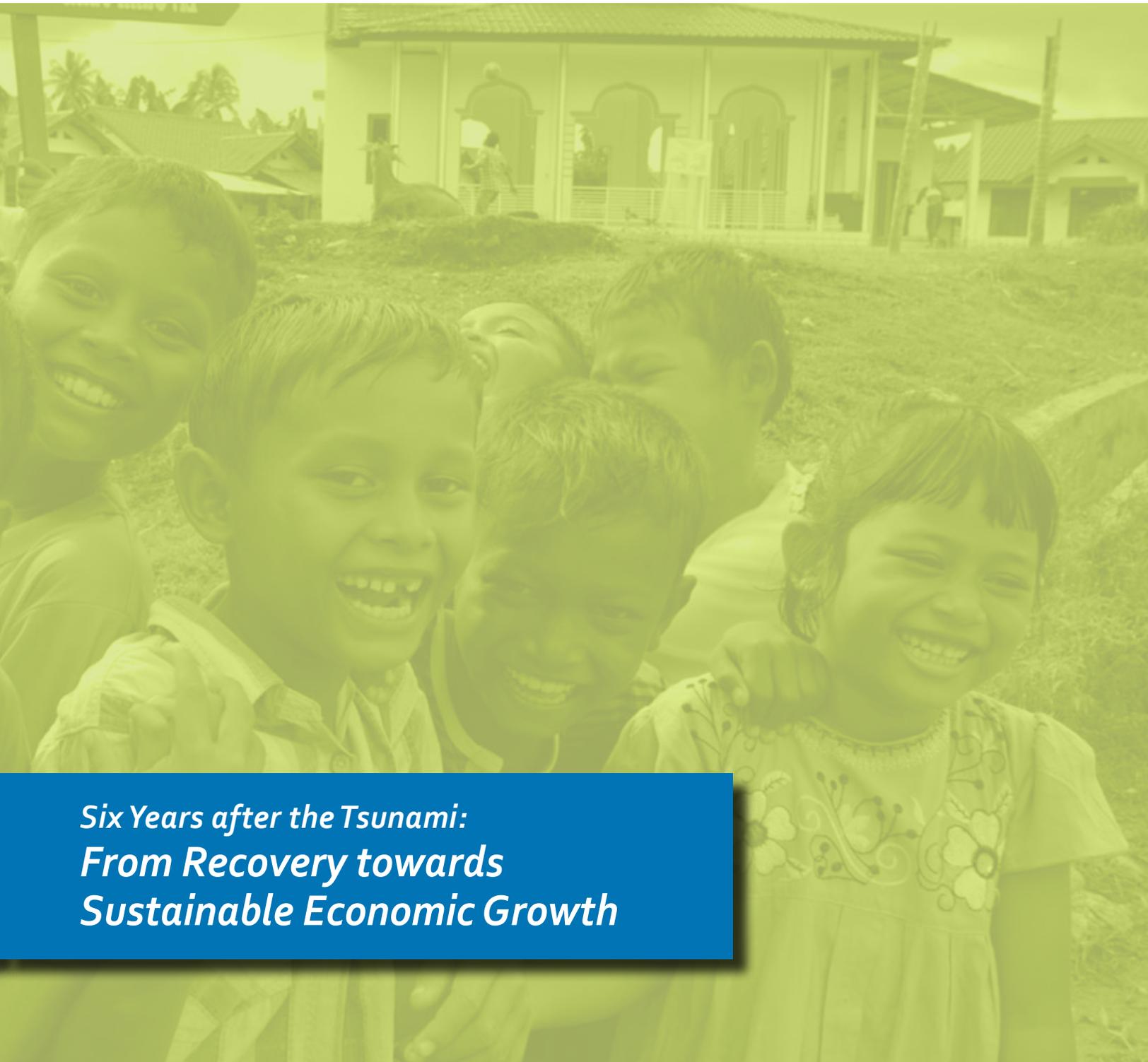
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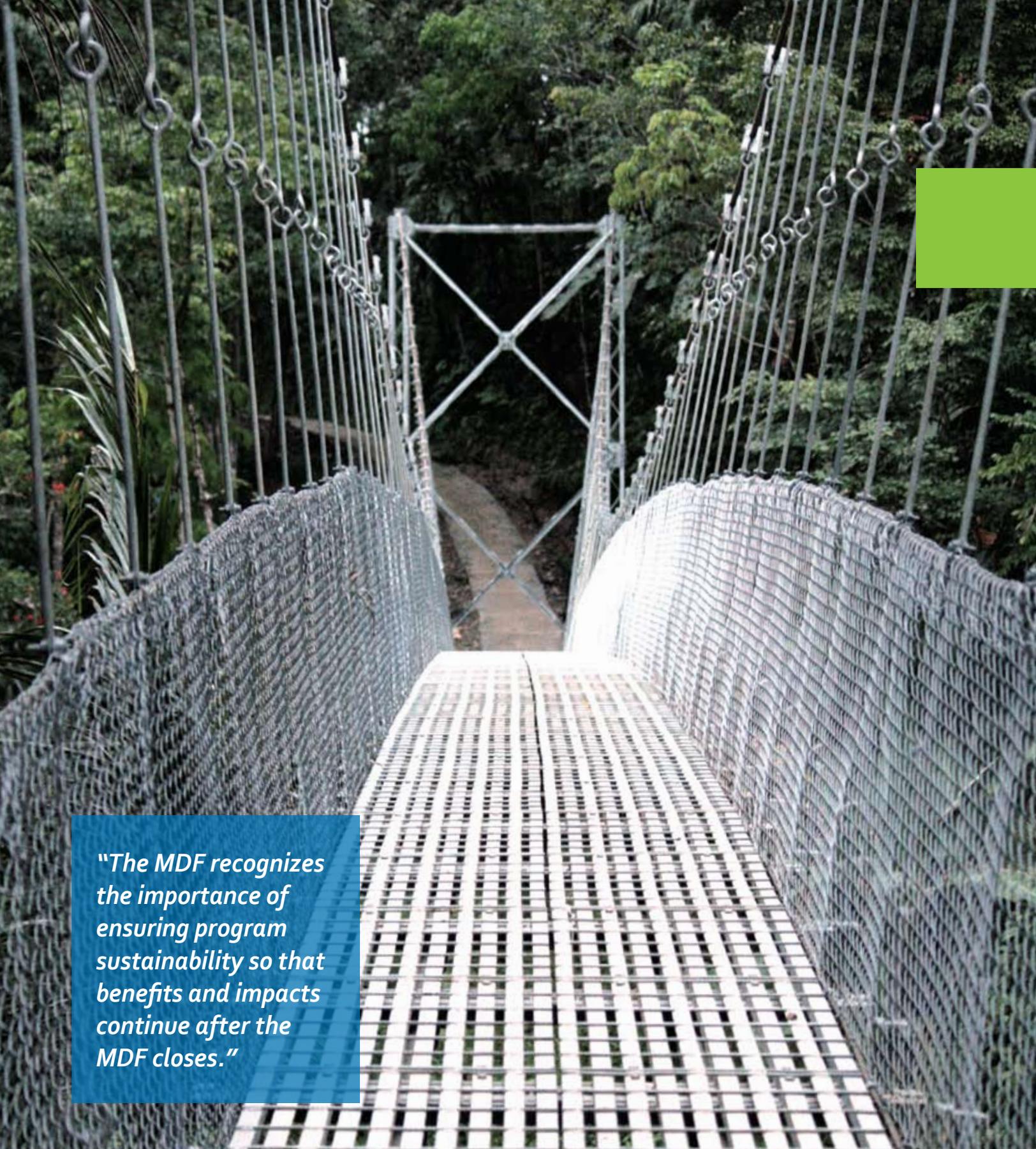


(this spread/cover) Children pose in front of their new neighborhood built with support from the MDF's CSRRP/ Rekompak project in Tubuk Lancang, Pidie Jaya district, Aceh.

Photo: Tarmizy Harva for MDF



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"The MDF recognizes the importance of ensuring program sustainability so that benefits and impacts continue after the MDF closes."

The Gido bridge and the sealed pathway connecting to it have reduced travel time and improved access to markets, schools and services for people living in three remote villages in Nias.

Photo: Shaun Parker/MDF Secretariat

Message from the Co-Chairs of the MDF

It has been six years since the devastating tsunami of 2004 and earthquake of 2005 shattered the lives of people in Aceh and Nias. Today traces of that devastation are barely visible, local economies are beginning to thrive and people's lives have been rebuilt in better ways. The massive undertaking by the Government of Indonesia for rehabilitation and reconstruction in the affected regions has earned worldwide recognition as a successful multi-stakeholders effort in post disaster recovery.

The Multi Donor Fund for Aceh and Nias (MDF) was set up to support the government in leading this immense effort. As the BRR completed its mandate in April 2009, Bappenas has taken over the coordination role of reconstruction and rehabilitation for Aceh and Nias, including as one of the MDF Co-Chairs. The strong commitment and leadership, both from the National Government of Indonesia and the Provincial Governments of Aceh and North Sumatera have made possible the MDF's significant contribution to the government's agenda of 'building back better.' The Government of Aceh, together with district governments, are committed to filling the remaining reconstruction needs for infrastructure, livelihoods, and most importantly the housing sector gap, in line with the Action Plan 2010-2012, as well as ensuring operation and maintenance of investments made by MDF and other development partners.

Since its establishment, the MDF has taken a phased approach to reconstruction, which began with meeting urgent needs for community recovery, followed by focusing on large infrastructure, environment, and capacity building, and in the last phase laying the foundation for sustainable economic development through recovery of livelihoods.

Today we are pleased to report that the program is achieving remarkable results, with projects on course to meet targets by closing in June 2012. The community based housing approach that was adopted by the MDF has now become a model for post disaster reconstruction. Infrastructure investments have revitalized economic activity and enhanced access for dispersed populations. Environment and waste management investments have helped to mitigate negative impacts of reconstruction. At this time we are actively working to strengthen the capacity of local institutions and to lay the foundation for sustainable economic growth and continued development in Aceh and Nias.

With a portfolio of mature projects, the MDF will remain focused and committed to the implementation of projects in order to meet the desired objectives by program end. The MDF also recognizes the importance of ensuring program sustainability such that MDF benefits and impacts continue long after it closes. Therefore, capturing lessons learned and disseminating best practices will be an important part of MDF activities in the coming years.



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"The MDF is performing well and the majority of the active projects in the portfolio are nearing completion."

Three generations of Wulandari's family live side by side in their new homes built through the CSRRP/Rekompak project. Wulandari, 55, lost her husband and one of her three daughters during the tsunami in 2004. She and her daughter are now rebuilding their lives in the new houses built by the MDF in Ulee Lheue village in the city of Banda Aceh, one of the areas worst hit by the wave.

Photo: Abbie Trayler-Smith/Panos Pictures/Department for International Development (UK)

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"Through its 23 projects, the MDF is delivering high-quality results."

The SDLP provides training for key staff from 18 ports in Aceh and Nias to ensure the continued effective operation of the infrastructure investments made by the MDF. Approximately 80 percent of all ports staff in Aceh and Nias have been trained through the 138 training courses that have been held. These course materials are being handed over to the University of Syiah Kuala to be included in their Masters Degree program.

Photo: SDLP collection

Executive Summary

Following the devastating earthquakes and tsunami of December 2004 and March 2005, the Multi Donor Fund for Aceh and Nias (MDF) has supported the Government of Indonesia (GoI) in the reconstruction of Aceh and Nias. With US\$678 million pooled in contributions from 15 donors (about 10 percent of the overall reconstruction funds), the MDF's goal is to contribute efficiently and effectively to the reconstruction of a "better" Aceh and Nias. This is achieved by filling gaps in the overall reconstruction in line with government priorities and bringing together key players from various levels of government, donors, civil society and communities. It has also greatly contributed to harmonizing donor efforts, and has been a critical platform for policy dialogue, bringing together many stakeholders. The MDF's Mid-Term Review (MTR) concluded that the overall approach and direction of the MDF is appropriate and relevant, and that it is performing well.

The reconstruction and rehabilitation of Aceh and Nias is continuing through regular government processes. Bappenas (*Badan Perencanaan Pembangunan Nasional* or the National Development Planning Agency) plays a leading role in the MDF and is responsible for overall coordination of the reconstruction and rehabilitation. The provincial governments of Aceh and North Sumatra are also playing an increasingly important role in the reconstruction and in implementing the Action Plan for the Continuation of the Reconstruction 2010-12 ("Action Plan 2010-2012") together with the central government. The MDF provides direct support to the central and provincial government in these coordination and implementation roles.

Portfolio Progress and Performance

Through its 23 projects, the MDF has delivered high-quality results. The majority of the projects in the portfolio are complete or nearing completion: eight projects have closed, 12 are under full implementation and three are in early stages of implementation. Thousands of large and small infrastructure projects are completed and making a contribution to revitalizing the economy. Homes and schools are occupied, community organizations are active and interconnected, local institutions are stronger and more resilient, and local governments are better equipped to manage the remainder of reconstruction and future development. Support to environmental sustainability has helped mitigate possible adverse impacts of reconstruction on Aceh's valuable natural resources. Communities and individuals, and especially women, are more empowered to play a role in planning for future development in their communities. Livelihood opportunities have improved for many through project activities and more specifically targeted economic development work is just getting underway.

Social sustainability concerns have also been incorporated into all aspects of the MDF's program. A strong gender dimension is embedded in projects across the portfolio to ensure that women, and other marginal groups, play a role in the community decision-making processes. The MDF has also adopted a conflict-sensitive approach that takes into account the unique operating environment in Aceh, which encompasses both postdisaster and postconflict, to the extent possible within its mandate.

MDF projects are overcoming a variety of physical and other implementation challenges. In Nias, factors such as the remoteness of subproject sites, poor transportation networks, long rainy seasons, lack of access to quality materials, and difficulty in recruiting

and retaining qualified field staff have all contributed to delays for projects. All MDF projects have faced a new set of challenges in transitioning to regular government processes and responsibility, especially the transition to regular government budget processes for the disbursement of funds. These issues are compounded by the tight timelines to complete implementation of the last set of projects. All stakeholders have indicated their commitment to work together to facilitate smooth project implementation. With this commitment, the MDF is well-positioned to continue its strong performance until all projects close in June 2012.

MDF Operations and Communications

The quality and implementation of projects are regularly monitored to ensure the MDF portfolio is on track and delivering results of a high standard. The MDF Secretariat reports to the Steering Committee on

portfolio progress and challenges. Currently the MDF Secretariat is discussing exit strategies and closing monitoring and evaluation (M&E) arrangements with projects, to ensure that the MDF's impact in the reconstruction of Aceh and Nias and important lessons learned are captured for stakeholders and a wider audience. Lessons learned workshops are also being held as part of the closing activities of several MDF projects. Transparency and accountability within the MDF portfolio is strengthened through complaints-handling mechanisms which have been set up and are regularly monitored.

Projects are further supported and showcased through MDF outreach activities. These events build a broader public awareness of the MDF's work and also give the public an opportunity to provide feedback to the MDF. The MDF's outreach efforts engage stakeholders at multiple levels in discussions on policies, approaches and strategic outcomes as well as on project activities, and promote transparency and accountability.



"The MDF generates lessons learned for future postdisaster recovery and reconstruction efforts."

SPADA supports school rehabilitation and provides school-based management training as well as books, tools, and furniture to village schools. Students in a classroom of a state elementary school in Bando Baru, Kabupaten Aceh Utara.

Photo: Akil Abduljalil/MDF Secretariat

Finances

The MDF has allocated and committed US\$646 million to its 23 projects in line with GoI priorities. Approximately one-third of the MDF portfolio is allocated to the infrastructure outcome area, and another one-third to community recovery projects. Allocations to the remaining four areas of economic development and livelihoods, sustaining the environment, capacity building and governance, and enhancing the overall recovery process together represent the remaining one-third of MDF funds allocated. About 77 percent of funds allocated and committed to projects have been disbursed (US\$500 million), and projects have spent US\$436 million or 87 percent of funds disbursed.

The MDF has provided the government the flexibility to implement projects through line ministries and other development partners. About 73 percent of MDF funds have been channeled to projects through the government's national budget. Approximately 23 percent of funds are implemented in partnership with United Nations agencies (United Nations Development Programme - UNDP, WFP and ILO), and the remaining 4 percent through NGOs. The government has also led the appointment of Partner and Implementing Agencies for projects funded by the MDF, taking into consideration comparative advantages and core competencies.

Outlook

The MDF remains committed to continuing the support for reconstruction until the end of its mandate. Continued strong coordination and cooperation from all partners is needed to ensure the smooth implementation of remaining projects by MDF closing. Remaining MDF projects are focused on helping to lay the foundation for economic growth and a secure and stable future in Aceh. Projects are implementing exit

strategies, supporting the transfer of reconstruction assets to the relevant local authorities, and putting appropriate operations and maintenance arrangements in place. The two economic development projects, the last round of infrastructure, and the continuing capacity building and institutional strengthening agenda are focused on ensuring that the impacts of reconstruction will be felt by the people of Aceh and Nias long after the close of the MDF.

Currently MDF funds are fully allocated to approved projects.¹ Some unspent residual funds will remain as individual projects close, and these will be reprogrammed to the extent possible within the limited remaining timeframe. The GoI has prioritized the use of any unspent residual funds for strengthening capacity of local institutions and the reconstruction of local infrastructure within the framework of existing projects.

The MDF will be assessing outcomes and the impact of its efforts with a focus on lessons learned. Recent local and global natural disasters have prompted renewed interest in the successful models and approaches pioneered under the MDF. The MDF is strengthening programs and activities at all levels of government, improving capacity for ongoing development as well as responding to possible future disasters. Nationally and globally, the MDF is providing feedback into the setting up of new disaster-response programs. Building on its experience with the MDF, the Government of Indonesia has set up the Indonesia Multi Donor Fund Facility for Disaster Recovery (IMDFF-DR) for disaster response and prevention. The MDF will continue to generate lessons that can contribute to fragile situations and to recovery and reconstruction efforts in future postdisaster settings around the world.

1 Taking into account the reduction in donor pledges as detailed in Chapter 3: Finances.



"Project monitoring and feedback are important for ensuring quality of the MDF portfolio."

The IRFF project is financing a range of infrastructure reconstruction works including this clean water supply system in Pria Laut village, Sabang, Aceh.

Photo: Tarmizy Harva for MDF

Chapter 1: MDF Operations and Communications

The Multi Donor Fund (MDF) remains committed to supporting the Government of Indonesia (GoI) in the continued reconstruction of Aceh and Nias. Established in April 2005, the MDF pools US\$678 million in contributions from 15 donors to support the implementation of the government's rehabilitation and reconstruction efforts after the December 2004 earthquake and tsunami and the subsequent March 2005 earthquake. The 15 donors contributing to the MDF are: the European Union, the Netherlands, the United Kingdom, the World Bank, Sweden, Denmark, Norway, Germany, Canada, the Asian Development Bank, the United States of America, Belgium, Finland, New Zealand and Ireland.

The MDF is governed by a Steering Committee with representatives from the government, donors, trustee and civil society. At the request of the government, the World Bank was appointed as the Trustee of the



CBLR3 and RACBP use a local resource-based approach to contract a local workforce and use appropriate road construction technologies and work methods to complete road construction and maintenance.

Photo: Shaun Parker/MDF Secretariat

MDF. Other key stakeholders, such as the United Nations Coordinator and a representative of the international NGO community, participate in the Steering Committee as representatives of development partners and to support coordination in the field. The Steering Committee is co-chaired by the Indonesian Government (Bappenas), the Government of Aceh, the European Union as the largest donor and the World Bank as Trustee.

MDF Operations

Bappenas is leading the coordination of the reconstruction and rehabilitation activities following the closure of BRR. Interim transitional arrangements that were put into place after BRR closed have ended. The MDF now functions completely within the context of the GoI's regular agencies and processes, and in close coordination with the provincial governments of Aceh and North Sumatra. The interim reconstruction coordination agencies that were set up at provincial government level to support the transition from BRR to regular government processes have closed. At this time, MDF funds are fully committed to approved projects. Any unspent, residual funds from ongoing projects may be allocated to other existing projects if endorsed by Bappenas in its coordination role, working closely with the provincial Governments of Aceh and North Sumatra.

The MDF is performing well and the majority of the active projects in the portfolio are nearing completion. Projects going into their final phase are now focused on developing exit strategies to promote sustainability. The last wave of new projects and existing projects that have been allocated additional funding are focused on capacity building, economic development and key infrastructure to support economic growth, as

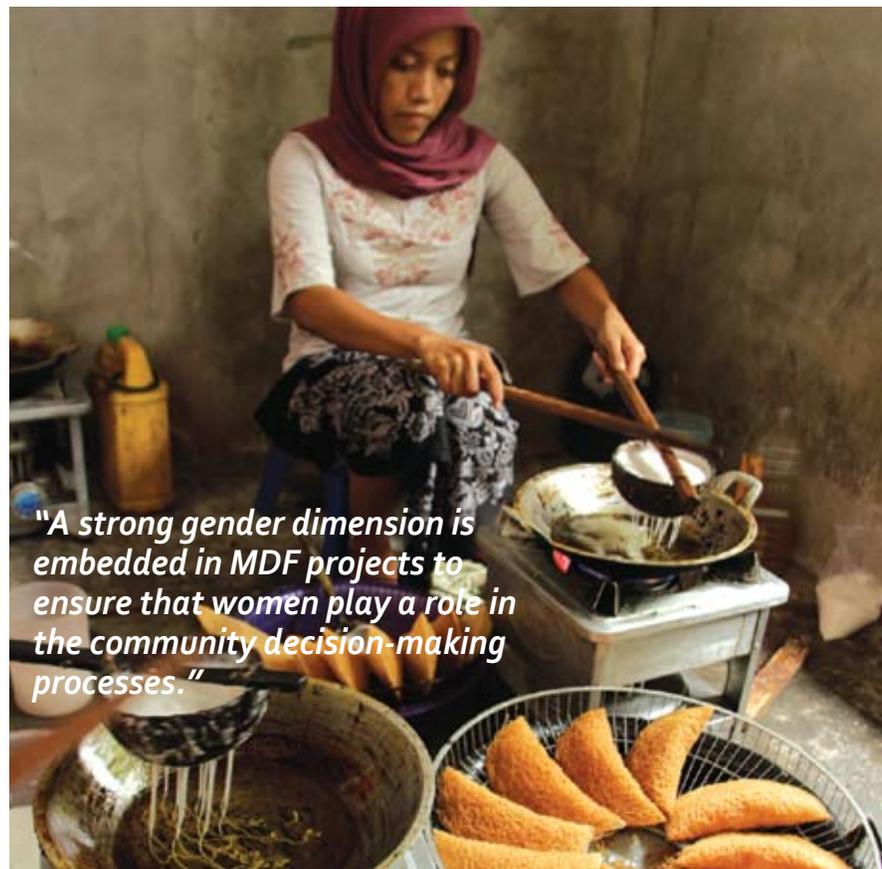
prioritized by the government. A portfolio review of the MDF was presented by the Partner Agencies (UNDP, ILO, WFP and the World Bank) to the Steering Committee in September 2010. The Steering Committee expressed its satisfaction with the progress and results of project implementation and the strong financial management of the MDF provided by the Trustee.

The MDF continues to work closely with Bappenas and the governments of Aceh and North Sumatra to ensure the delivery of high-quality projects through a phased approach and as prioritized by the GoI. Bappenas, in close consultation with the Governments of Aceh and North Sumatra, has developed the Action Plan for the Continuation of the Reconstruction and Rehabilitation of Aceh and Nias 2010-2012. The Action Plan identifies gaps in the reconstruction effort, with an implementation plan ending in December 2012. Guided by the government's priorities, the overall goal of the MDF is to contribute efficiently and effectively to the reconstruction of a "better" Aceh and Nias by filling the gaps identified in the government strategy documents. The projects not only reconstruct housing and infrastructure and rehabilitate the economy in accordance with these strategy documents, but also address social concerns such as reducing poverty, improving livelihoods, and enhancing gender equity.

The MDF continues to follow up on recommendations from the Mid-Term Review (MTR) within the context of GoI priorities, and within the scope and timeline of the MDF. The MDF's comprehensive MTR process was completed in November 2009. The findings reiterate the message that the MDF portfolio is performing well, and its overall direction is appropriate and relevant. The results of the MTR were presented to the Steering Committee on November 16, 2009. Based on the recommendations of the MTR, the Steering Committee in March 2010 decided that, due to the short implementation time remaining before

the MDF's closing date, any remaining funds would be allocated to existing projects in line with the priorities of the government.

The MDF has fully committed available funds to approved projects. At a meeting of the Co-Chairs of the MDF Steering Committee convened in March 2010, the co-chair representatives, including the Government of Aceh, supported the top two priority needs outlined by Bappenas as infrastructure investments and continued coordination of the reconstruction. The Steering Committee subsequently endorsed additional financing for the TA to BRR and Bappenas Project implemented by UNDP, and additional financing for the IRFF project to construct a road along the west coast of Aceh.



"A strong gender dimension is embedded in MDF projects to ensure that women play a role in the community decision-making processes."

A member of a producer group in Lam Cot village, Kabupaten Aceh Besar, Aceh, making the traditional snack of kue karah (karah cake). She and other members of her group were able to revitalize their income-generating activities with the help of microfinance loans from the KDP.

Photo: Irwansyah Putra for MDF

Key decisions related to the use of possible residual funds from closed projects were reached during this reporting period. With all remaining funds fully committed, the Steering Committee in September 2010 responded to remaining government needs by agreeing that any possible residual funds would be prioritized for capacity building of local institutions and the reconstruction of local infrastructure. This would need to be funded through existing projects.

Project monitoring and feedback are important for ensuring the quality of the MDF portfolio. Regular supervision missions were carried out by the Partner Agencies to monitor project progress and quality, often attended by the MDF Secretariat and donors. Consultations are being held with project teams and Partner Agencies to discuss exit strategies and closing M&E arrangements to ensure that the MDF's impact in the reconstruction of Aceh and Nias and important lessons learned are captured for stakeholders and for use in future postdisaster recovery programs. Feedback received through various complaints-handling mechanisms continues to be regularly monitored and follow-up actions are taken as required.

The MDF will continue working closely with central, provincial and local governments to support the reconstruction agenda of the affected areas until the end of the MDF's mandate. The MDF donor community continues to maintain a keen interest in the operations of the MDF. With representatives at Technical Review and Steering Committee level, the donors continue to be closely involved in monitoring MDF progress and results, as well as in decision making on funding allocations and other key strategic issues. All MDF projects will close in June 2012, and the MDF program will end in December 2012.



An elementary school building in Nias constructed by the MDF through the KRRP project. The project has so far completed 32 schools and 4,300 houses in Nias.

Photo: Anita Kendrick/MDF Secretariat

Enhancing Stakeholder Engagements Through Communications

The MDF plays an important coordination role in bringing together key players from various levels of government, donors and civil society. The partnerships being forged among these stakeholders have allowed the MDF to effectively respond to the recovery needs of Aceh and Nias. During this reporting period the MDF stakeholder engagements had mostly been aimed at discussing project progress and the sustainability of MDF investments. At the last Steering Committee meeting, it was also agreed that the capturing of lessons learned and dissemination of best practices with key stakeholders will be part of MDF activities towards closing. This is to ensure that the full impact of the program is well-documented and disseminated for future postdisaster recovery efforts in Indonesia and the rest of the world. The MDF provides a unique forum for discussion of policies and strategies on reconstruction of Aceh and Nias with a broad range of stakeholders.

Various outreach activities have been conducted to support project implementation and to enhance awareness of the MDF program. These activities range from maintaining relationships with local governments, communities and NGOs, disseminating information through publications and other communications material, as well as holding workshops or other public events which often generate media interest. These outreach efforts are not only effective in communicating progress, but also in responding to and tackling various project-related issues. During this reporting period the MDF and its projects have conducted over 250 outreach activities.

Lessons learned workshops have been held as part of the closing activities of several MDF projects in the past year. The Community-based Settlement Rehabilitation and Reconstruction Project (CSRRP, also known by its Indonesian acronym, Rekompak), held several activities in conjunction with its closing in April 2010. These included a one-day lessons learned workshop, a media tour to project sites and an official closing and handover ceremony. The lessons learned workshop included the participation of diverse stakeholders and captured valuable lessons and experiences from the implementation of the innovative community-based housing approach. It concluded that a community-based approach to housing reconstruction, working through government systems but with communities in the lead, can be an effective strategy for postdisaster housing reconstruction. Over 100 participants attended the Rekompak workshop, including the local and central governments (Ministry of Public Works, BNPB², and Bappenas), donor representatives, local NGOs, and local think tanks/academics. The *Kecamatan* Development Program (KDP) and Support to Strengthen the Role and Capacity of Civil Society Organizations (CSO)

project also conducted closing workshops during 2010 which included lessons learned. The Sea Delivery and Logistics Programme (SDLP) conducted a workshop on lessons learned in November 2010. More of these types of workshop and closing events are planned as projects wrap up their activities.

The MDF and its projects also utilize formal media outlets in order to reach a wider audience and to increase public profile. In addition to holding events which drew media attention, the MDF also proactively engaged with the local media to disseminate information and



Governor of Aceh, Irwandy Yusuf (left) officially handed over CSSRP/Rekompak's final report to one of the 14 regents and mayors during the project's closing ceremony in May 2010. Also in the picture is the previous Country Director of the World Bank for Indonesia, Joachim von Amsberg (center).

Photo: M. Nasir/MDF Secretariat

2 BNPB: *Badan Nasional Penanggulangan Bencana*. National Agency for Disaster Management.

address various concerns which have surfaced from time to time in the public domain. Media outlets mostly being used are radio and local newspapers, using interactive talk shows and article placements. In order to encourage positive media coverage from local and national media, the MDF also held special media events such as journalist site visits/press tours and media gatherings. During this reporting period, the MDF and its projects have conducted over 15 radio talk shows and have generated over 50 instances of positive media coverage.

The MDF promotes transparency and accountability in its program implementation. All MDF-funded projects are required to establish complaint-handling mechanisms through which stakeholders, particularly beneficiaries, can channel their feedback, queries and grievances regarding project targeting and implementation. These mechanisms are continually monitored. Nearly all complaints and queries received were handled by the respective projects through direct verification with the communities and complainants involved.

Recent local and global natural disasters have prompted renewed interest in the MDF. Considered by many as one of the most successful multidonor trust funds for postdisaster rehabilitation and reconstruction in the world, the MDF has become a valuable source of information for those implementing postdisaster reconstruction and recovery programs in other settings. Numerous organizations, including prominent development agencies and universities, governments of disaster-affected countries, and the media have sought lessons learned and best practices from the MDF Secretariat, the World Bank as Trustee, the Government of Indonesia, the Government of Aceh and North Sumatra, and individual project teams. Such requests have come from such diverse sources as BBC Radio, The Washington Post, the Government of Haiti, and various units and programs within the World Bank such as the Multi Donor Trust Fund in Pakistan. Lessons from the MDF are therefore helping to inform global responses to disasters and fragile situations.



Feature Story 1

Crossing the Gido Bridge

Providing year-round safe access for communities

On the island of Nias it rains, on average, 268 days a year. Heavy rainfall and flash floods are common. Bridges and other water crossings on the island are mostly made of natural materials that degrade rapidly and are susceptible to being swept away by turbulent currents. When bridges are in poor repair, communities are often temporarily isolated or have to find alternative routes which often make it more expensive and time consuming to reach main access roads.

The village of Loloana'a, located in the subdistrict of Gido, Nias district, North Sumatra, covers an area of 562 hectares of hilly terrain, with 96 households and a population of 521 people. Rubber cultivation provides the main livelihood for most of Gido's inhabitants. To supplement their income, most people also produce cacao, bananas and betel nut.

The rubber latex produced in Loloana'a is sold every Friday at the "pekan" or weekly market in Hiliweto village. Rubber latex is also commonly sold to collectors in the nearby village of Lahemo. Access to neighboring villages and the "pekan" was formerly via a dirt path and a river crossing which became impassable during the rainy season. Since the construction of two vital pieces of infrastructure supported by the Multi Donor Fund for Aceh and Nias – a suspension bridge and associated sealed pathway – access to markets, schools, and other services has greatly improved for inhabitants of Gido Loloana'a.

The trail made of concrete slabs was constructed by the Nias Kecamatan-based Reconstruction and Rehabilitation Planning Project (KRRP, also known as PNPM-Rehabilitasi Rekonstruksi Pulau Nias or PNPM-R2PN), while the bridge was constructed by the Capacity Building for Local Resource-based Rural Roads (CBLR3) project, implemented by the International Labour Organization (ILO) in partnership with the United Nations Development Programme (UNDP). The synergy of these two MDF projects has multiplied the benefits of each one for the surrounding communities.

The Gido bridge was completed in September 2010 by community work groups and contractors with technical input from the ILO. Construction commenced in 2008. Mr. Walter Illi, ILO Team Leader for Nias Rural Access



Students returning from school using the Gido suspension bridge built by the ILO-implemented rural roads project in Nias. During the rainy season it was previously unsafe for children to cross the river. The bridge has made it possible for children in three isolated communities to now go to school year round.

Photo: Akil Abduljalil/MDF Secretariat

and Capacity-building Project (RACBP) and previously with the CBLR₃ project, has been working in Nias since 2005. On the two projects implemented by ILO he comments, "Communities need durable transport infrastructure. Local transport infrastructure providers need technical advisory services in choosing the right technology for Nias conditions. We try to respond to these twin challenges by identifying where similar terrains exist and where specialized expertise is tested and proven successful."

Construction of trail suspension bridges is not a new concept in Indonesia, including Nias, and the construction methods have been used for centuries. Most of these traditional designs, however, relied on the use of high-quality hardwood timber as one of the key construction materials. Hardwood timber has become a rare commodity in recent times and, for environmental reasons, should no longer be used even in areas where it is still available.

As hardwood became more difficult to obtain, insufficient research into alternative construction materials and methods was done, and construction design standards were not adjusted to take into account the substitute materials used. As a result, many trail bridges in Nias today are considered unsafe. In addition, continued deforestation has resulted in higher flood peaks on many rivers. As no feasible solution to these challenges was apparent, the ILO project team sought assistance from the Nepal program of Helvetas, an international NGO that has been involved in the construction of trail suspension bridges in several countries for over 50 years.

"Rain or shine, I can now cross the Gido River! So now my children can go to school, I can bring my produce to the market quicker, and traders and aid workers can regularly visit us in the village."

The Gido bridge is a prototype for the more than 1,100 meters of bridges that will be rehabilitated and constructed under Nias-RACBP until 2012. The ILO team will be working closely with engineers from Nepal to create standard technical designs and specifications that can easily be adapted and replicated in Nias's conditions. Through capacity building delivered by ILO and Nepali engineers from Helvetas, local governments and infrastructure providers will be observing and acquiring the skills required to build these effective, durable bridges and water crossings under the Nias-RACBP.

The concrete pathway built under KRRP provides direct access to the Gido bridge for Akhelawe, Hiliotalua, and Sihare'o Sogaeadu villages. Stretching for more than a kilometer, the 1.5 meters wide pathway, together with the bridge, provides the villages with safe, year-round access for pedestrians and motorbikes to schools, markets and other transportation networks. The settlements of Lahemo and Lewa-Lewa have also benefited from this new pathway which has provided them with ease of access to their kebun karet (rubber garden plots). The pathway, which was constructed at a cost of Rp289 million (US\$ 32,000),³ took just over a year to complete. Auxiliary infrastructure constructed under this project includes two box culverts and a 26 meter long retaining wall. The project employed 56 workers (six of whom were women), and was completed on October 28, 2010.

Being able to cross the river and get their products to market throughout the year has enhanced the economic prospects for residents of the villages on the other side of the Gido bridge, and promises a better future for their children who can now attend school regularly year round. The impact of the construction of the suspension bridge and sealed pathway is summed up by Ibu Refensi Suriana Ndraha, a happy beneficiary and resident of Loloana'a village:

"Rain or shine, I can now cross the Gido River! So now my children can go to school, I can bring my produce to the market quicker, and traders and aid workers can regularly visit us in the village."

³ The exchange rate at September 30, 2010 was US\$ 1 = Rp. 9,015.



"Significant outcomes are being achieved as the MDF portfolio matures."

The MDF has helped to restore vital transportation networks across Aceh and Nias through the construction and rehabilitation of national, provincial and district roads. These roads not only restored linkages destroyed during the disasters but help to lay the foundation for future economic growth and development.

Photo: Irwansyah Putra for MDF

Chapter 2: Portfolio Progress and Performance

Remarkable achievements have been made towards recovery and reconstruction in Aceh and Nias in the six years since the devastating natural disasters of December 2004 and March 2005. The Multi Donor Fund has contributed about 10 percent of the overall reconstruction funds, and has responded effectively to the priorities and needs identified by the Government of Indonesia. The MDF has also made a positive contribution to harmonizing donor efforts and to increasing the effectiveness and efficiency of the reconstruction process.

Reconstruction through the MDF will continue until December 2012. Bappenas has developed the Action Plan for the Continuation of the Reconstruction and Rehabilitation of Aceh and Nias 2010-2012 which has identified gaps and prioritized needs for both Aceh and Nias. The Action Plan coincides with the remaining years of the MDF's mandate for contributing to the recovery of Aceh and Nias until December 2012. Economic development is a priority as the government sees jobs and economic growth as vital to maintaining the gains of the reconstruction and peace in Aceh.

Overview of the MDF Portfolio

The MDF portfolio consists of 23 projects in six outcome areas. MDF funds are allocated to projects in the areas of community recovery, rehabilitation and reconstruction of large infrastructure and transport, strengthening governance, sustaining the environment,

enhancing the overall recovery process, and economic development and livelihoods.

Based on the guidance of the Steering Committee, the MDF strategy has been a phased approach to support for reconstruction. The first phase met urgent needs for recovery of communities and rehabilitation of transportation networks. This was followed by a focus on large infrastructure, mitigating the impacts of reconstruction on the environment, and capacity building. The last phase is focused on economic development and continued strengthening of local capacity. This last set of projects includes the EDF, Nias LEDP and RACBP.

The MDF has now fully allocated all of its financial resources. The last new project in the MDF portfolio, the Nias LEDP, was endorsed by the Steering Committee in May 2010. Additional financing was also endorsed for three other projects during the past year—the IRFF, the Nias RACBP (to expand coverage to additional subdistricts), and for TA to BRR and Bappenas to enhance coordination of the Action Plan 2010-2012 through to the end of the MDF mandate.

The MDF portfolio is performing well and projects are on course to meet targets by closing. The portfolio's first and second wave of projects are in their final phases or already closed. Eight projects have closed, 12 are under full implementation and three are in the early stages of implementation. Several projects have extended their closing dates in order to meet their objectives. All projects under the MDF will close by June 30, 2012, with the overall program closing on December 30, 2012.

Significant outcomes are being achieved as the portfolio matures. The MDF has provided a forum for policy dialogue on Aceh reconstruction that has brought together many stakeholders. The community-

based housing approach is a model for postdisaster reconstruction, and infrastructure investments have revitalized economic activity and access across Aceh and Nias. Environmental outcomes are positive, and the potential for major negative impacts on the environment from the reconstruction process has been avoided. In addition, the MDF is contributing to strengthened local institutions and sustained economic growth.

Recovery of Communities

The first group of projects endorsed by the MDF supported the recovery of communities through the existing mechanism and approach of Community-driven Development (CDD) projects. Leveraging the existing KDP and Urban Poverty Project (UPP) programs and approach, this group of five projects either scaled up existing programs in Aceh and Nias (KDP and UPP), or adapted the CDD model to deliver specific reconstruction needs such as housing (CSRRP-Rekompak and the *Kecamatan*-based Reconstruction and Rehabilitation Planning Project or KRRP) or land titling (Reconstruction of Aceh Land Administration System - RALAS).

The MDF's Community Recovery projects have achieved impressive results in rebuilding houses and infrastructure at the community level. These projects demonstrated that communities can take the lead in the decision-making role for their own recovery even in the most devastating circumstances. Housing targets were reached in Aceh in 2010 and are nearing completion in Nias. More than 15,000 houses have been reconstructed or rehabilitated in Aceh with an occupancy rate of 97 percent, while an additional 4,500 houses are completed or under construction in Nias.

The KDP, UPP, CSRRP-Rekompak and KRRP projects have also delivered impressive results in the reconstruction of community infrastructure. These projects have assisted communities to construct 2,623 kilometers of village roads, 7.51 kilometers of bridges, and 1,549 kilometers of irrigation and drainage channels. In addition, 483 schools and 395 local government offices or village/town halls have been built or rehabilitated. Water and sanitation improvements include nearly 6,000 wells or other sources of clean water and 1,195 sanitation units. Beneficiary satisfaction rates for these projects are generally high, signifying the importance of ownership and empowerment to the recovery of communities.

RALAS has made an important contribution to the reconstruction effort with more than 220,000 land certificates distributed. Of these, 63,000 were issued in the names of women or as joint titles. Although a series



Communities took the lead in reconstruction of housing under the CSRRP/Rekompak in villages across Aceh. This photo shows newly constructed houses in Lambung village, Banda Aceh.

Photo: Tarmizy Harva for MDF

of management and implementation issues prevented RALAS from fully meeting its targets, the project nevertheless contributed to restoring land rights and rebuilding the land administration system in Aceh. Training and capacity building in community-driven adjudication was provided to over 700 government staff and will continue to have an impact in terms of government's delivery of land-titling services. Perhaps most importantly, increased public awareness and understanding of land-titling procedures and property rights of women will impact on demand for these services in the future, as well as the demand for transparent delivery of such services.

The MDF's community recovery projects have also made a lasting impact on community empowerment across Aceh and Nias. The community processes created, and high rates of participation, including the strong participation of women, have resulted in a strong sense of ownership over the infrastructure built and have established expectations for a greater role for community members in development planning. The outcomes initiated at the community level across Aceh and Nias through these projects are likely to continue as the MDF-supported KDP and UPP projects are merged under the national government's PNPM⁴ program. In addition, in Aceh the PNPM is supplemented by the provincial-level BKPG (*Bantuan Keuangan Peumakmue Gampong*, or the Financial Assistance for Village Welfare) program. These programs will continue the community planning and infrastructure development of KDP and UPP in all *gampong* or villages in Aceh. The KDP and KRRP projects in Nias will also be merged with the national PNPM Rural program.

A strong gender dimension is embedded in the MDF's community recovery projects. Each of these projects

has incorporated women's empowerment into project design to ensure that women play a role in the community decision-making process. These projects have piloted efforts to move from not only increasing women's participation in community planning activities but to also finding ways of ensuring their voices are heard. UPP developed a component to enhance women's empowerment by setting aside specific funds for their activities. Both KDP and UPP also supported women's empowerment through providing microfinance opportunities for women. RALAS played an important role in raising awareness of women's land rights and by supporting joint land titling. Almost 30 percent of the land titles issued under the project were joint titles or in women's names. Lessons from these experiences are feeding into ongoing PNPM programming in Aceh and Nias and across Indonesia.

The success of the MDF's community recovery projects has demonstrated that community-driven approaches can be successful in a postdisaster situation and the lessons learned are already being used in other postdisaster contexts. The Aceh housing project (CSRRP-Rekompak) became a model for the Government of Indonesia's housing reconstruction program in Java following the 2006 earthquake. More than 200,000 houses were constructed adopting this approach. This model has been further adapted in West Sumatra following the 2009 earthquake. The national government has adopted the community-based approach as part of its overall strategy for postdisaster housing reconstruction. In addition, a delegation from Haiti recently visited Aceh and Java to study the CDD postdisaster reconstruction projects, taking away impressive lessons for replication. Both KDP and CSRRP-Rekompak conducted lessons learned workshops at project closing to discuss lessons learned, both for future work in Aceh and Indonesia as well as for other postdisaster scenarios around the world.

4 PNPM: *Program Nasional Pemberdayaan Masyarakat* (National Community Empowerment Program).

The MDF's work in the community recovery area is drawing to a close. Three of the projects completed their objectives for supporting the recovery of communities and closed during the past year (KDP, UPP, CSRRP-Rekompak). The land-titling project (RALAS) closed in June 2009, having strengthened institutional capacity on land adjudication. The Nias housing project, KRRP, continues implementation and will complete its activities by June 2011.

Reconstruction and Rehabilitation of Large Infrastructure and Transport

Together with the Government of Indonesia, the MDF is a major contributor to the reconstruction and rehabilitation of large infrastructure in Aceh and Nias. In line with the priorities of the Government of Indonesia's Action Plan 2010-2012, and the priorities identified by the provincial Governments of Aceh and North Sumatra (for Nias), the MDF has made considerable investments in infrastructure reconstruction and rehabilitation in Aceh and Nias. Approximately 35 percent of the MDF's funds have been allocated to this sector. In addition, significant contributions have also been made to community-level infrastructure through the MDF's community recovery programs.

The MDF took a multifaceted approach to the recovery of infrastructure and transport after the tsunami. Early support to the reconstruction included logistical support for the transport of reconstruction materials to affected areas. The SDLP provided a shipping service from 2005 to 2007, enabling reconstruction agencies to move cargo critical for the progress of recovery and reconstruction to the west coast of Aceh and remote landing sites on Nias and Simeulue. After the initial recovery stage, MDF funds were allocated through various projects for the reconstruction of large

infrastructure, which included ports, national, provincial and district roads, water supply and treatment systems, drainage systems, sanitary landfills and community-level infrastructure. Capacity building and attention to the needs of marginalized groups have been strong elements present in all these reconstruction projects.

Three of MDF's infrastructure projects have reached completion, having delivered effective, quality results and fulfilling their objectives. The Lamno-Calang Road maintenance project allowed the major west coast corridor to remain functional in the first two years following the tsunami. The project closed in December 2007 after other donors took over the reconstruction of the west coast corridor road. The Banda Aceh Flood Mitigation Project (BAFMP) is completed and protects the central business area of Aceh's capital against flooding. The drainage system in this area was rehabilitated through construction of three pumping stations, the installation of flood valves and the reconstruction of drainage channels. The Tsunami Recovery Ports Redevelopment Programme (TRPRP) helped to restore essential transportation networks after the tsunami and earthquake by providing physical designs and technical support for the reconstruction of major seaports and a river port. The redevelopment of these ports ensured that equipment and materials could be delivered to isolated areas for the rebuilding of communities and livelihoods during the early reconstruction phase. The impact of these projects extended to all parties involved in the reconstruction and rehabilitation, including GoI, NGOs, CSOs, and multilateral and bilateral donors, by providing access to affected areas.

The three remaining active large infrastructure projects (Infrastructure Reconstruction Enabling Program or IREP, SDLP and IRFF) are performing well and are expected to deliver on their targets by their closing dates. Through the MDF's two major

infrastructure reconstruction projects, the IREP and the IRFF, approximately 500 kilometers of national and provincial roads, 87 kilometers of district roads, five ports and 11 water supply systems have been completed. These two projects work in tandem to support the design, finance and implementation of more than 52 separate infrastructure subprojects implemented by the Government of Indonesia. Fifty of these subprojects have already been completed. The SDLP project is currently focusing on the longer-term sustainability of the ports through the training of ports staff at all levels at 18 ports throughout Aceh and Nias to enable efficient operations of these facilities and assets into the future.

The final strategic investment from the MDF in large-scale infrastructure has been endorsed by the Steering Committee. In April 2010, US\$37 million was approved as additional financing for the IRFF project to construct a strategic 50 kilometer stretch of national road from Calang to Meulaboh on the west coast of Aceh, including the Kuala Bubon Bridge. This project is expected to provide livelihood benefits and access to basic services for more than 900,000 inhabitants. With this additional financing, total MDF funds allocated to IRFF now amount to US\$137 million, making it the largest single project in the MDF portfolio. Together with Gol cofinancing, the total amount invested in the reconstruction of large infrastructure through IRFF is approximately US\$245 million.

Large Infrastructure and Transport Projects

Project	Funds Allocated (US\$ millions)
Banda Aceh Flood Mitigation Project (BAFMP)	6.50
Infrastructure Reconstruction Enabling Program (IREP)	42.00
Infrastructure Reconstruction Financing Facility (IRFF)	136.70
Lamno-Calang Road Maintenance Project	1.46
Sea Delivery and Logistics Programme (SDLP)	25.03
Tsunami Recovery Ports Redevelopment Programme (TRPRP)	3.78
Nias Rural Access and Capacity-Building Project (RACBP)	11.80
Total	227.27



To ensure the sustained functioning of the drainage system in Banda Aceh, a “trash management program” was introduced under the Flood Mitigation project. The pilot program was quickly scaled up by the city because of its early success. The strong commitment of the local government and the community is expected to enhance the sustainability of the project which completed implementation and closed at the end of 2009.

Photo: Irwansyah Putra for MDF

The MDF is playing a key role in creating infrastructure networks throughout Aceh and Nias. Export ports have been constructed at Lhokseumawe and Kuala Langsa in Aceh, providing gateways to international markets. In Gunung Sitoli, Nias, and Sinabang, Simeulue, the domestic ports have been reconstructed. The extensive national, provincial and district roads constructed through IRFF, ILO roads projects in Aceh and Nias (CBLR₃, RACBP) and the MDF's community recovery projects are contributing to a transportation network which has opened up areas that were previously difficult to reach. In addition, local labor use has generated economic benefits in communities. Local government capacities have been enhanced in the operations and management of local infrastructure networks.

Strengthening Governance and Capacity Building

Postdisaster institution building through good governance and capacity strengthening has been one of the cornerstones of the MDF since inception. Strengthening capacity for improved local governance is built into almost all MDF projects throughout project implementation and also to ensure sustainability of the investments after the reconstruction ends. This is the primary objective for three projects in the portfolio targeting civil society, district government (SPADA), and the Ministry of Public Works and local road contractors (CBLR₃). Three other projects (AGTP, NITP, and TA to BRR and Bappenas) have directly contributed to enhancing the efficiency and effectiveness of the recovery process.

MDF provided the reconstruction effort's most extensive support to build civil society networks in Aceh and Nias through the CSO Project which closed on May 30, 2010. With more than 100 facilitators from

local NGOs and CSOs registered and trained through the project, there is now a roster readily available for rapid response deployment. The CSO project provided 142 small grants to CSOs and community-based organizations (CBOs) in Aceh and Nias to deliver 75 income-generating projects, 34 women's empowerment initiatives, and 33 basic social services enhancements reaching a total of more than 33,000 beneficiaries, nearly 44 percent of whom are women.

The CSO project introduced community-based monitoring (CBM) of the rehabilitation and reconstruction efforts in Aceh and Nias. This approach built mutual trust and respect between local governments and the CSOs/CBOs, resulting in better coordination and collaboration in community planning. The project paid special attention to mainstreaming gender into CSO policies, processes and practices. Overall, the activities related to women's interests improved the beneficiaries' quality of life and provided the financial and social capital necessary to allow them to develop their potential in planning, decision making and income generation.

The CBLR₃ Project (also called the ILO rural roads project) works with Bappeda to build capacity at district and community levels to use local resources for construction of local roads in Aceh and Nias. The project has completed 140 kilometers and conducted maintenance work on 230 kilometers of rural (district and subdistrict) roads using this approach. The project is implemented by ILO under UNDP administration and overall supervision. The Nias RACBP builds capacity to apply this local resource-based approach to road construction in Nias. The project uses technical expertise and designs from Nepal for suspension bridges that are well-suited for river crossings in the hilly terrain of Nias.

CBLR₃ has had significant success integrating the local resource-based approach for district road reconstruction and maintenance. The project has trained local contractors and Public Works staff and supervisors in the application of the local resource-based approach for road and civil works construction. With construction near completion, the project has shifted its focus to enabling an environment that will sustain the resource-based approach to community road construction in Aceh, with an extension to June 2011. The experience and lessons learned through implementation of the CBLR₃ has facilitated a smooth startup of the RACBP.

The SPADA Project in Aceh and Nias is part of the government's national strategy to strengthen district government capacity to incorporate bottom-up planning and needs analysis into district planning and budgeting. SPADA's approach is contributing to the government's efforts to develop rural poor and disadvantaged areas to create economic development and improved services for its citizens. Despite some delays in implementation due to a range of challenges, the project shows significant results in capacity building. The project has trained 75 justice officials and 50 NGO staff to provide judicial services and legal education, and more than 800 trainers, facilitators and village heads have been trained in conflict resolution.

Strengthening Governance and Capacity Building Projects

<i>Project</i>	<i>Funds Allocated (US\$ millions)</i>
Capacity Building for Local Resource-based Rural Roads (CBLR ₃)	11.80
Support for Poor and Disadvantaged Areas (SPADA)	25.60
Support to Strengthen the Role and Capacity of CSOs	5.99
Total	43.39



The Support to Strengthen CSOs project provides small grants to build the capacity of community based organizations (CBOs) while also supporting income-generating activities initiated by the community such as this women's group in Gapong Pande village in Banda Aceh.

Photo: Muslim Aid Collection for CSO Project

Nearly 12,000 teachers have received training through the project. The program is being subsumed under the national PNPM Rural program, demonstrating MDF's alignment with the GoI's national development strategy. Using the bottom-up planning approach, SPADA has also supported the construction or rehabilitation of 196 kilometers of roads, six kilometers of bridges, 18 kilometers of drainage or irrigation channels, 373 water outlets, 50 village schools and 14 health centers.

The MDF has promoted gender equity in all its projects. The CSO, UPP, KDP, RALAS, KRRP, CBLR3, and SPADA projects have piloted gender-inclusive approaches that will provide lessons for national PNPM programs and lessons for other projects and contexts. MDF projects, where relevant, collect gender-disaggregated data in their monitoring and evaluation arrangement to track gender-sensitive implementation. The NITP organized a gender mainstreaming workshop in August 2010 as a preliminary effort to mainstream gender in the development process in Nias. All regional government working units (*Satuan Kerja Perangkat Daerah* or SKPDs) attended the workshop, and almost one-half of the participants were women. A gender working group was formed during the workshop and will work with all SKPDs on mainstreaming gender issues in the planning, budgeting and monitoring processes of government departments.

Enhancing the Recovery Process

The MDF has played a strategic role in enhancing the effectiveness and efficiency of the overall recovery and reconstruction process. The MDF provided technical assistance and operational support to the BRR in its role as coordinator of the nearly US\$7 billion overall reconstruction program to achieve its mandate in a timely and transparent manner. This included support

for the development of policies, legal framework, projects and programs, and monitoring tools and systems for the reconstruction and recovery process from July 2005 until the closure of BRR in 2009.

MDF support for the coordination of reconstruction has continued since the closure of BRR. The MDF was designed to be a gap-filling instrument to address national priorities, with government at the helm and implementation primarily through government institutions and systems. Three projects aimed at enhancing the effectiveness and efficiency of the overall reconstruction and recovery processes through support to national and provincial levels of government are in full implementation.

The TA to BRR and Bappenas project continues to support the government's coordination of reconstruction and rehabilitation activities after the closure of the BRR. The TA to BRR was originally designed to provide BRR with support for its technical and operational needs from July 2005 to April 2009. Endorsed by the MDF Steering Committee in February 2010, Phase Three of the project is now focusing on continuing and completing the rehabilitation and reconstruction agenda in Aceh and Nias with Bappenas leading coordination efforts at the central level and Bappedas at the provincial level.

The AGTP and the NITP provide support at the provincial and district level respectively to enhance efficient and effective recovery in Aceh and Nias. Together with TA to BRR and Bappenas, AGTP and NITP are working closely with all levels of government and line ministries to pave the way toward completing the transfer of rehabilitation and reconstruction assets. AGTP and NITP further build awareness and know-how on planning and budgeting operations and maintenance funds for reconstruction assets to ensure long-lasting benefits of the MDF investments.

The MDF also enhances the recovery process through support for disaster risk reduction (DRR) and preparedness through the DRR-A project. DRR-A is one of the two MDF projects focusing on DRR issues. NITP also incorporates a DRR component in its capacity-strengthening work in Nias. DRR-A was designed to institutionalize DRR in long-term local-level development processes. It is making a unique and important contribution to preparedness for possible future disasters in Aceh by working at all levels, from the community to provincial level, on DRR. DRR-A devotes

most of its resources to build capacity and sustainability through support to a local institution, the Tsunami and Disaster Mitigation Research Center (TDMRC) of the Syiah Kuala University. The project has also been instrumental in the establishment of the Aceh Disaster Alleviation Agency (*Badan Penanggulangan Bencana Aceh* - BPBA). The project overall has established a wide range of partnerships with government, media, NGOs and academia and is fostering ownership of the DRR agenda with all SKPDs.

Enhancing the Recovery Process Projects

<i>Project</i>	<i>Funds Allocated (US\$ millions)</i>
TA for BRR and Bappenas	24.48
Disaster Risk Reduction – Aceh (DRR-A)	9.87
Aceh Governance Transformation Programme (AGTP)	13.98
Nias Island Transformation Programme (NITP)	3.89
Total	52.22



Residents moving quickly along an escape route during the tsunami simulation drill in Ulee Lheue village of Kecamatan Meuraksa, Banda Aceh.

Photo: Tarmizy Harva for MDF

Sustaining the Environment

The MDF has been committed to ensuring environmental sustainability during the reconstruction process since its beginning. Environmental sustainability is a cross-cutting theme for projects across the MDF portfolio, and is the primary focus of two specific projects. The AFEP was created specifically to mitigate the potential negative impact that reconstruction might have on Aceh's vital forest ecosystems. The TRWMP was initially designed to assist with the cleanup after the tsunami and is making an important contribution to long-term environmental sustainability for Aceh and Nias through creation of a sustainable system of solid waste management.

The TRWMP is now in its third phase and is focused on capacity-building activities to ensure sustainable solid waste management infrastructure and services are in place after the project closes. The project is preparing for the construction of one regional permanent landfill and eight district landfills, including one in Nias. In addition to physical infrastructure, the project also focuses on building capacity within local governments to manage sustainable solid waste management systems, including the introduction of fee-based services so that these systems can continue after the project ends. TRWMP continues to support waste management-related livelihood activities such as recycling and the clearing of tsunami sediment from agricultural land in order to help farmers resume their pre-tsunami livelihoods. Pilot activities promote sustainable income generation and raise awareness amongst the community on the

Sustaining the Environment Projects

Project	Funds Allocated (US\$ millions)
Aceh Forest and Environment Project (AFEP)	17.53
Tsunami Recovery Waste Management Programme (TRWMP)	39.40
Total	56.93



School children take part in environmental awareness building activities provided by the ranger service in the Ulu Masen Ecosystem. Run by FFI under the AFEP, the lessons are part of a program of outreach and capacity building which aims to educate children about the benefits that the forest can provide for them, and to avoid a new generation of illegal loggers.

Photo: Abbie Traylor-Smith/Panos Pictures/Department for International Development (UK)

need and benefits of proper solid waste management, while diverting plastics and other recyclables from district landfills.

AFEP employs a multipronged approach to build capacity in both the government and communities to protect and sustainably manage Aceh's forest resources. The project has shown strong results in the areas of monitoring of illegal logging and supporting law enforcement, mitigating human-wildlife conflicts, mapping forest resources, developing local forest management plans, and public awareness. The project has supported the Government of Aceh's Aceh Green agenda as well as a multistakeholder forest governance framework, and has promoted forest protection with an emphasis on capacity building for government forest and park management agencies. The successful Community Rangers program in the Ulu Masen ecosystem recruits former illegal loggers, poachers and ex-combatants and provides alternative employment to monitor the forests for illegal activities. AFEP is now in its last year of implementation and is focusing on strengthening core activities such as forest monitoring, forest management, and environmental awareness activities to ensure a lasting impact after the project ends.

Economic Development and Livelihoods

The MDF is moving into the final phase of post-tsunami and earthquake recovery through active support for economic development and livelihoods recovery. The MDF's strategy of a phased approach followed the government's priorities for filling gaps in community recovery and infrastructure first, with economic development and livelihood activities designed for a later stage in the reconstruction process. Now that much of the physical reconstruction has been

completed, economic development and livelihoods have become a major concern for the Governments of Aceh and North Sumatra. Two MDF projects that are now in the early implementation phase, the EDFF and the LEDP, will directly address improvements in livelihoods and economic development.

The EDFF project is piloting a unique arrangement to support local economic development in Aceh. The new model created for implementing the EDFF involves international and local NGOs working in close partnership with provincial government. This US\$50 million project will fund eight subprojects selected through a transparent process to support economic development in Aceh's key economic sectors of agriculture and fisheries, including important export crops such as coffee and cacao. While operationalizing the new institutional arrangements for this project has resulted in some initial delays, all subprojects are now underway. Subprojects are being implemented in almost every district, covering activities which include the provision of agricultural tools and inputs, development of cooperatives, quality enhancement, improved access to markets, access to finance, and women's empowerment, among others.

The Nias LEDP, also in the early implementation phase, aims to improve livelihoods and facilitate economic development in Nias. The project will provide technical assistance and inputs to women and mixed gender groups in a range of rural livelihood activities with a focus on rice and the key cash crops of cacao and rubber. The LEDP will work closely with another project in Nias, the RACBP implemented by ILO which provides improved access in rural areas. The two projects will work in the same economic areas, supporting agricultural improvements through increased access to markets and services, thereby facilitating better livelihood opportunities and economic development in Nias.

Since its inception, the MDF has supported the recovery of livelihoods through projects across the portfolio. The MDF has generated more than 17.6 million paid workdays through projects including KDP, UPP, CSRRP-Rekompak, KRRP, CBLR3, RACBP, and TRWMP, providing a much needed cash infusion to affected families during recovery and reconstruction. In addition, three projects provided microfinance to affected households (CSO, KDP and UPP), and support to small businesses related to recycling and waste management were supported by the TRWMP. The AFEP has supported agro-forestry and a number of alternative livelihood options for communities living on the edge of protected forests. It has also provided direct employment to community members through the Community Ranger program. The business environment in Aceh has been improved through a

component of SPADA that strengthens the capacity of provincial government to issue business licenses. EDFF and Nias LEDP now provide a direct focus on livelihoods recovery by laying the foundation for improved long-term economic growth in key productive sectors in Aceh and Nias.

Challenges

The MDF operates in a complex context which makes reconstruction extremely challenging. Aceh presents unique challenges as a postdisaster recovery situation embedded in a postconflict environment and, as such, has required a reconstruction approach that is sensitive and mindful of this context. In addition, local

Economic Development and Livelihoods Projects

Project	Funds Allocated (US\$ millions)
Economic Development Financing Facility (EDFF)	50.00
Nias Livelihoods and Economic Development Project (LEDP)	8.20
Total	58.20



A farmer picks ripe cacao pods in his cacao garden plot in Tunong village, Kecamatan Pante Raja, Kabupaten Pidie Jaya. Both the Nias LEDP and Aceh EDFF projects are working to increase farmers' incomes through improved production and marketing of cacao and other export crops.

Photo: Tarmizy Harva for MDF

government and civil society capacity was low as a result of the years of conflict. Transport, infrastructure, the economy and social services had also been severely impacted. Layered on this context was the extreme loss of life, morale and capacity in the many communities that were destroyed by the earthquake and tsunami.

The difficult environment for project implementation has been even more of a challenge in Nias. Extreme remoteness and poor transportation networks, a long rainy season, lack of access to quality materials, and difficulty in recruiting and retaining qualified field staff have contributed to delays for most projects there. In addition, Nias presents a unique set of challenges for continued economic recovery and growth and sustaining the benefits of reconstruction. These physical difficulties have been compounded by the political subdivision of the island into four districts and one municipality, compared to the previous two districts. This subdivision has placed a further strain on available local government capacity for effective project implementation and has stretched an already small budget even further. Definition of authorities and jurisdiction continue to evolve, rendering decision making difficult during transition.

The transition of responsibility for the reconstruction to regular government agencies at national, provincial and district levels following the closure of BRR created a new set of challenges. Putting new institutional arrangements in place and the return to regular government processes has resulted in delayed startup and implementation for several key projects. The transition to regular government budget processes for the disbursement of funds, in particular, has been a challenge, as delays in approval of the central government's annual budget (DIPA) has delayed implementation for a number of MDF projects and continues to present an ongoing challenge.

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

The last set of projects face tight timelines to complete project implementation by their closing dates in June 2012. These include the two important economic development and livelihoods projects, Aceh EDFF and Nias LEDP, and two infrastructure projects, the Nias RACBP, and the additional financing for IRFF to complete the national road on the west coast of Aceh. The MDF Steering Committee at its September 2010 meeting stressed to all stakeholders the importance of working closely to ensure that these projects can implement all activities by the end of the MDF mandate in 2012.

MDF projects have creatively addressed challenges. This has been done through developing project design and implementation strategies in partnership with stakeholders. As a result, several projects in the MDF portfolio have extended their closing dates in order to allow sufficient time to achieve project objectives. With this commitment, the MDF is well-positioned to continue its strong performance until all projects close.

Feature Story 2

Banda Aceh's New Town Access Road: a Catalyst for Growth

The two-kilometer highway south of Banda Aceh, the capital of Aceh province, was still unnamed three months after it was officially opened in April 2009. But the four-lane freeway, known by its project title—New Town Access Road Stage 2—had already attracted considerable economic activity.

On both sides of the road, starting from the intersection called Simpang Surabaya to the Sukarno-Hatta Artery Road, new shop houses, homes and restaurants have mushroomed. Some of the more imposing buildings include the Aceh Prosecutor's Office, a Toyota showroom, and a brand new petrol station run by the state-owned Pertamina oil company. A large terminal nearby serves inter-provincial buses traveling to and from areas like Medan, in neighboring North Sumatra.



Photo: Abbie Traylor-Smith/Panos Pictures/Department for International Development (UK)

The New Town Access Road Stage 2 is a brand new thoroughfare, unlike the coastal highways destroyed by the 2004 tsunami. The road was part of the Banda Aceh master plan to expand the city limits and build a network of roads supporting the expansion.

"Its construction was accelerated so that the area can develop faster and revive the local economy," says Banda Aceh Vice-mayor Illiza Sa'aduddin Djamal. As an extension of the New Town Access Road Stage 1, built by BRR, the Stage 2 Road was identified by local authorities as a project to be developed by the Infrastructure Reconstruction Enabling Program (IREP) with support from the Infrastructure Reconstruction Financing Facility (IRFF), two projects supported by the Multi Donor Fund for Aceh and Nias and implemented by the Department of Public Works.

To the residents of Batoh village, located off the new highway, many changes have taken place, most of them for the better. Tarmiji, 52, owner of the Dhapu Kopu ("Coffee Kitchen" in Acehnese) restaurant, is one good example. Not long after the tsunami, when land values plunged to their lowest level, Tarmiji took a chance and bought two shops at the strategic corner where the New Town Access Road crosses the Simpang Surabaya-Lampeuneureut Artery Road.

"Its construction was accelerated so that the area can develop faster and revive the local economy."

About a year ago, Tarmiji decided to invest in a coffee shop to serve the growing number of residents in the neighborhood. Many survivors of the tsunami, traumatized by their losses, had moved away from the coast and settled further inland, some of them in areas bordering the new road. Given the Acehnese penchant for drinking coffee, it was the right decision. His two-floor coffee shop—one of only two of this size in Banda Aceh—is standing room only when he regularly shows soccer matches on his gigantic 2 by 1.5 meter flat screen monitor.

"I will be doing a lot better when the new road is really busy," says Tarmiji.

At the other end of the road, where it forms a T-junction with the Sukarno-Hatta ring road, retired school teacher Juned Daud, who owns and runs a shop selling school supplies, shares the same optimism. As keucik or chief of Lampeueurut village, he has seen the value of land around the new road, once a patchwork of swamp and paddy fields, rise almost tenfold. He is amazed at the number of people trying to buy land around the new road, despite the spiraling prices.

As the village chief, he is happy that the area where he lives no longer floods during the rainy season, thanks to the drains built to catch excess water and channel it elsewhere. The area behind his house, for example, used to be perennially inundated during the monsoons, and the water would lie stagnant for long periods of time, creating health hazards. Today, the water has disappeared and the area is dry all year round.

In addition to providing the catalyst for economic development, the new road has also made it easier for residents to commute to school and to go about their other daily activities. Rusnah, 35, a housewife and mother whose husband works at a nearby construction site, says the new road means that her three children do not need to walk through swamps to reach their schools. It has also cut her travel time into town to do her marketing. "Instead of walking to the nearest mini-bus station about two kilometers away across swamp land, I just wait by the new road for the labi-labi (small public transport vehicle) to come along," says Rusnah.



"The MDF has allocated and committed US\$646 million to 23 projects."

A women's producer group working on embroidery at a garments workshop located at Lhee Blang village, Kabupaten Aceh Besar, Aceh. Producer groups such as these have received microfinance loans from the KDP.

Photo: Irwansyah Putra for MDF

Chapter 3: MDF Finances

Pledges

As of September 30, 2010, the Multi Donor Fund has a total of US\$678⁵ million in pledges from 15 different donors. Not all pledges are made in US Dollars and some have not yet been received. The total amount pledged, therefore, fluctuates according to the exchange rate at the time that funds are made available to the MDF, as well as the date of the MDF reporting.

Cash Available

To date, the MDF has received US\$620 million or about 91 percent of the total pledges from its donors (Table 3-1). Cash projections are monitored on a regular basis to ensure that the MDF has sufficient funds to continue financing project activities throughout the life of the MDF.

Funding Allocations and Commitments

As of September 30, 2010, the MDF has allocated and committed US\$646 million to 23 projects.⁶ These projects were initiated in six outcome areas supported

Table 3.1: MDF Pledges and Contributions as of September 30, 2010*

Source	Pledge amount and Contribution Agreements signed in US\$ million	Cash Received US\$ million
European Union	269.10	243.86
Government of Netherlands	171.60	139.20
Government of United Kingdom	68.50	68.50
Government of Canada	20.22	20.22
World Bank	25.00	25.00
Government of Sweden	20.72	20.72
Government of Norway	19.57	19.57
Government of Denmark	18.03	18.03
Government of Germany	13.93	13.93
Government of Belgium	11.05	11.05
Government of Finland	10.13	10.13
Asian Development Bank	10.00	10.00
Government of United States	10.00	10.00
Government of New Zealand	8.80	8.80
Government of Ireland	1.20	1.20
Total Contributions	677.85	620.21

*Exchange rate as at September 30, 2009; Source: World Bank.

⁵ The Netherlands has indicated that it will be reducing its contribution by US\$25 million as a result of contraction of development aid due to the global financial crisis.

⁶ Allocations to specific projects appear in Chapter 2.

by the MDF. These include: recovery of communities, reconstruction of large infrastructure and transport, capacity building and governance, supporting the sustainable management of the environment, enhancing the efficiency and effectiveness of the overall recovery process, and economic development and livelihoods. The Government of Indonesia committed to contribute an additional US\$168 million in cofinancing for four projects in the MDF portfolio.

The MDF has made significant investments in its six targeted outcome areas, as prioritized by the Government of Indonesia. Approximately one-third of the portfolio is allocated to large infrastructure and transport. Another one-third has been allocated to community recovery, including housing and community-level infrastructure, while projects in the four other outcome areas make up the remaining third of allocations. This latter third is divided more or less equally, with allocations to environment, economic development, and capacity building/governance projects each amounting to about 9 percent of the total portfolio, while the remainder is allocated to projects focused on enhancing the overall recovery processes (Figure 3-1).

The Government of Indonesia is driving the reconstruction efforts, leading coordination and implementing most MDF projects. The MDF has provided the government flexibility in the use of MDF resources to implement projects through a mix of implementation modalities—through government line ministries, NGOs, UNDP, ILO and WFP. About 73 percent of MDF funds have been channeled through the national budget of the government with approximately 23 percent of funds managed in partnership with a number of United Nations agencies (UNDP, WFP and ILO), and the remaining 4 percent with NGOs (Figure 3-2). The strong coordination by, and leadership of, the Indonesian Government during the reconstruction

Figure 3.1: MDF Financing of Reconstruction by Outcome Area

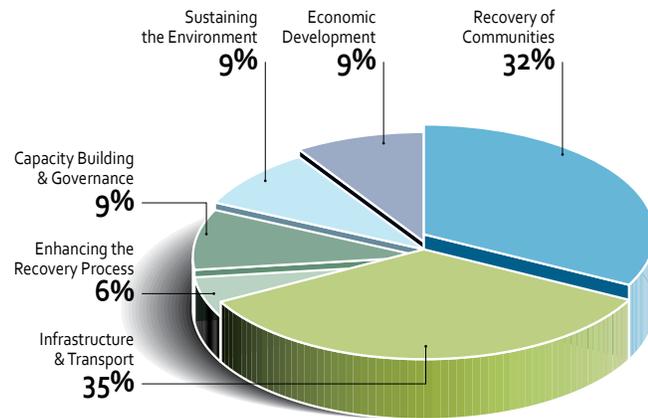
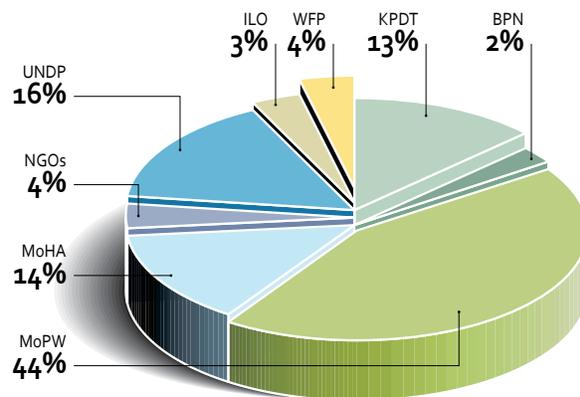


Figure 3.2: Implementing Agencies for MDF Projects



efforts have greatly contributed to the remarkable achievements. The reconstruction of Aceh and Nias has become an international model for postdisaster response.

Disbursements

As of September 30, 2010, a total of US\$500 million has been disbursed to projects in the MDF's portfolio. This is about 77 percent of the total amount of funds that has been allocated and committed to projects, an increase of approximately 25 percent in disbursements over the last year. With about two years remaining to complete implementation, disbursements are in line with the physical progress of project objectives and targets. The transition from BRR to line ministries has been completed and the regular government processes are in place to allow for the flow of funds to the projects. On average, the MDF has disbursed more than US\$100 million annually to projects. Approximately US\$346 million has been disbursed to the projects through the government's national budget, while the remaining US\$153 million was disbursed to off-budget projects.

As of September 2010, US\$436 million or 87 percent of funds disbursed have been spent. Reflecting the overall reconstruction effort, which is approaching completion, most of the MDF projects are mature and several have closed. Eight projects have closed, 12 are in full implementation and three projects are in the early stages of implementation. Looking at the overall trend, the projects are on track to deliver results.

Outlook

MDF funds may be considered fully committed to projects. As of September 30, 2010 unallocated and uncommitted funds are recorded at US\$26.5 million, taking into account program administration and other costs. However, with a reduction in donor contributions of about US\$25 million currently being formalized, the unallocated and uncommitted amount will be reduced to approximately US\$1.2 million.

Disbursements to projects echo the overall status of the portfolio. The active on-budget projects will drive both disbursements and project spending until MDF closure in 2012. The bulk of the remaining disbursements are expected to take place during 2011.

In the remaining time of the MDF, focus will primarily be on ensuring the quality of implementation and achieving project objectives. However, some residual funds may remain unspent from ongoing projects at closing. These residual funds are expected to be utilized for additional financing to projects currently under implementation, as and when these are available. The focus of such use will be on capacity building and local infrastructure, as agreed at a Steering Committee meeting held in September 2010. Residual funds which are not received in time to be effectively reprogrammed will be returned to the donors.

The MDF relies on effective intergovernmental coordination by Bappenas and strong supervision and implementation by all partner agencies and implementing agencies. Disbursements to on-budget projects require allocations to be made through the national budget process. With the limited time remaining, delayed budget processing would adversely impact project implementation. As such, successful completion of projects will require intense focus of all parties to technical, institutional and financial issues throughout the process.



The MDF supports Bappenas to enhance its coordination and monitoring and evaluation of the completion of the Aceh-Nias reconstruction efforts.

Photo: R2C3 Collection

Feature Story 3

Going Clean and Green in Aceh and Nias

The UNDP's Tsunami Recovery Waste Management Programme (TRWMP), supported by a grant from the Multi Donor Fund, takes a multifaceted approach to environmental sustainability with a focus on solid waste management. The project was designed to remove tons of tsunami debris and rubble in the initial aftermath of the disasters, and in later phases has evolved into supporting sustainable systems for solid waste management as part of the commitment to "build back better." This has included the construction of sustainable landfills and developing pilot fee-based systems of waste collection. TRWMP also helps to provide livelihood opportunities in recycling and other waste-related activities, as well as to build public awareness about recycling and good practices related to management of waste.

Recycling a Living in a Landfill

On any given day, several groups of scavengers pick through the waste at Suak Buluh, the only dumpsite in Simeulue, tucked away in the lush green hills near the capital, Sinabang. They retrieve plastic, metal, cardboard—anything to sell—as well as collect firewood to take home to use for cooking.

Yusni belongs to one group of 25 scavengers, 23 of whom are women. Yusni speaks candidly of her life in the landfill. She comes almost daily to Suak Buluh. The mother of three searches for and sorts valuable recyclables, plucked from the 25m³ of waste trucked in daily from around the island.

At 32 years of age, Yusni devotes half her working hours to the Simeulue dumpsite, the other half to a palm oil plantation nearby, depending on scavenging activity. She often earns around Rp. 100,000 per week from her collection of recyclable material. "I prefer scavenging," Yusni said. "I make more money here than at the plantation."

The work hours are better too. Amidah, head scavenger for the group also prefers scavenging. "When we work here, we only work until noon. But at the plantation, they pick us up at 7am in trucks and we finish at 4pm," she said.

The TRWMP has worked closely with the people across Aceh and Nias who make their living at landfills and dumpsites. One of TRWMP's main activities is its Waste Management Livelihoods Project, which seeks to support and improve the income of families and the sustainability of small businesses throughout Aceh and Nias while diverting as much recyclable material as possible from ending up in landfills and dumpsites.

Scavenging is one enterprise TRWMP has identified as needing support. TRWMP often supplies training and equipment to many of Aceh and Nias's scavengers, who are among the most vulnerable and poor of the region. However they have tapped into the notion that there is a lot of money to be made in items thrown away as garbage.



Photo: UNDP collection

Local government regularly supports the scavengers. The local government, with the support of TRWMP, also provides regular hygiene promotion seminars to look after the health and wellbeing of the workers. The women said the main complaint from the workers is skin problems, however overall their health is good.

Yusni and Amidah go home each night and wash thoroughly "with good soap, many times." They then light the cooking fire using salvaged wood and prepare and sit down for a meal, having contributed to the family income from their busy day at Suak Buluh.

Building School Children's Awareness of Hygiene and Waste Management

Public awareness campaigns are another one of the many activities supported by the TRWMP in Aceh and Nias. The project is teaching school children basic recycling principles and hygiene practices, recognizing that building awareness and good habits in children leads to better informed and conscientious citizens in adulthood.

Just before snack time at a small elementary school in Banda Aceh, about 40 patient children stood at attention in the schoolyard. A woman's voice piping out over a speaker system calmed the excited four- and five-year-olds.



Photo: UNDP collection

A. Elia Nova is from DK3, the sanitation department (Dinas) of the Kota Banda Aceh government and she was at TK-IT Al-Azhar School to teach children about hygiene practices, waste management and basic recycling principles.

"We want the kids to be more environmentally aware," said Elia, one of three Dinas facilitators at the school for the training. "We teach six things; environmental education, cleaning, hand washing, planting, basic knowledge of garbage and waste and composting."

"It's easier to change their behavior at the beginning rather than when they're adults," said Elia.

This is one of ten TRWMP-supported government socialization sessions in Banda Aceh schools for 2010. Next year, the Dinas will add six more schools to its training roster. Across all 13 TRWMP-supported districts, local governments have trained almost 30,000 students from 427 schools in environmental awareness issues.

After the seemingly exhausting schoolyard games at the small school in Banda Aceh, the kids settled down for a snack in the cool dim classroom. When asked if they would go home and teach their parents about everything they learned, the children yelled out in unison, "YEAH!"

A young man wearing a straw hat and a white tank top is holding a cacao seedling in a black plastic nursery bag. He is looking upwards with a focused expression. The background is a blue mesh netting, likely used for shade in a nursery. There are two solid color boxes: a blue one on the left containing a quote, and a green one in the top right corner.

"Sustainability of impacts and exit strategies are important areas of focus for the MDF."

Yursi, age 20, tends to cacao seedlings at the Forsaka nursery in Jalin Village, Jentho, Aceh. The Forsaka Nursery is an initiative set up by Fauna and Flora International (FFI) under the Aceh Forest and Environment Project (AFEP). The nursery is growing seedlings for cacao, Mahoni and other trees in order to provide seedlings to local farmers to enable them to diversify their crops.

Photo: Abbie Trayler-Smith/Panos Pictures/Department for International Development (UK)

Chapter 4: Looking Ahead

Six years have passed since the December 2004 earthquake and tsunami and the March 2005 earthquake, and the reconstruction of Aceh and Nias has moved into its final phase. Remarkable results have been achieved in the recovery of communities, reconstruction of infrastructure, restoration of services and rebuilding of local institutions. The people of Aceh and Nias are looking forward, not backward, as they continue to rebuild their lives and communities and look towards future economic growth and development.

The reconstruction and rehabilitation of Aceh and Nias is continuing through regular government processes. Bappenas will continue to coordinate the reconstruction through the Action Plan 2010-2012 which covers the same time period as the Multi Donor Fund. Provincial governments are also playing an increasingly important role in all aspects of the reconstruction, implementing the Action Plan jointly with the central government. Provincial Governments of Aceh and North Sumatra have both issued provincial government regulations formalizing the Action Plan 2010-2012. Beyond this date Aceh's development will be guided by the Accelerated Sustainable Development Plan currently under preparation by the provincial government with support from central government.

The MDF has made a significant contribution to the overall recovery and remains committed to continuing its support for reconstruction until the end of its mandate. MDF support for overall reconstruction will continue through TA to BRR and Bappenas and support to provincial and district level governments

in Aceh and Nias through various projects. The MDF portfolio is now mature, following the original phased strategy, with some projects closed, the majority in full implementation and winding down, and the last few in the early stages of implementation. Project progress is good, tangible results are visible, and project benefits are being felt in communities across Aceh and Nias.

Continued strong coordination and the cooperation of all partners are needed to ensure the smooth implementation and quality of the last set of projects. The timeline for completion of these projects is tight. The MDF will close on December 31, 2012, and all projects must close by June 2012, with no possibility of extension. Closing dates of several projects have been extended to June 2012 to ensure there is sufficient time to complete their objectives.

All available MDF funds have been allocated to projects.⁷ The Steering Committee has recognized the good management of the funds by the Trustee. Projects are on track to disburse most remaining funds in 2011 with the last funds to be spent by the closing dates of the respective projects. Some unspent residual funds will remain as individual projects close. The MDF will reprogram these residual funds to the extent possible within the remaining timeframe as they become available. The Steering Committee has established that priorities will be for local capacity building and local infrastructure within the framework of existing projects. The ability to reprogram funds is likely to depend on when these are available, such that they can be effectively utilized in other activities within project closing dates.

Results and quality of the portfolio overall are good, and impacts are beginning to be seen as projects come to completion. Thousands of large and small infrastructure

⁷ Refer to Chapter 3: MDF Finances, for details.

projects have been completed and are making a contribution to revitalizing the economy. Homes and schools are occupied, community organizations are active and interconnected, local institutions are stronger and more resilient, and local governments are better equipped to manage the remaining reconstruction program and future development. Communities and individuals, and especially women, are more empowered to play a role in planning for future development in their communities. Livelihood opportunities have improved for many through project activities and more specifically targeted economic development work is now getting underway.

The sustainability of these impacts and exit strategies are being established at individual project level but are also an important focus for the MDF portfolio as a whole. Transfer of the reconstruction assets to the relevant authorities and ensuring resources and systems are in place for their continued operation and maintenance are the biggest challenges to sustainability of the investments made through the overall reconstruction. MDF projects are supporting government on asset transfer and building capacity to address these challenges.

Disaster risk reduction and sustainable management of the environment are other important principles that the MDF is working to mainstream in the development agendas of Aceh and Nias. Specific projects such as DRR-A, TRWMP and AFEP, for example, are addressing these concerns directly. Other projects in the portfolio, such as the housing projects in Aceh and Nias, the large infrastructure projects implemented under IREP and IRFF, NITP, SDLP and others, have also mainstreamed environmental sustainability and/or disaster risk reduction into their activities.

MDF projects are putting sustainable systems in place, thus ensuring long-term benefits. Projects such as

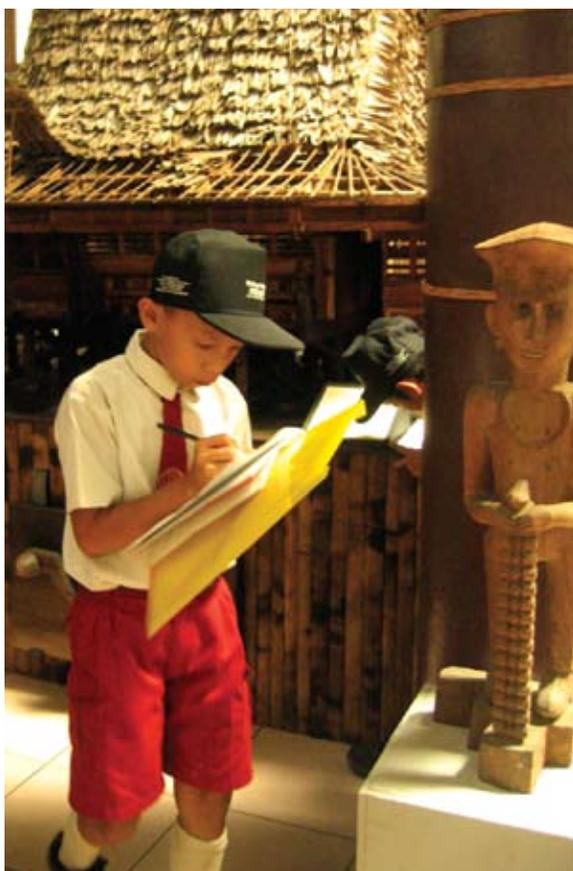
the AFEP, TRWMP, SDLP, and DRR-A are establishing governance, management and service-delivery systems, both government and nongovernment, which are designed to function long after project support ends. MDF investments in physical infrastructure and human capital contribute to making Aceh and Nias more resilient to future disasters.

The MDF leverages the institutional strengths of different partners and links to government programs in order to achieve its results and increase sustainability. UNDP projects such as NITP and AGTP smooth the transition from reconstruction to development by building on UNDP's national strategy that supports the government's decentralization agenda. The MDF's projects under the World Bank which use the CDD approach are aligned with the government's ongoing national strategy for poverty reduction. These CDD projects (KDP, UPP, CSRRP-Rekompak, KRRP) and SPADA are rolling over into national programs under the government's PNPM umbrella. Approaches adopted by these MDF projects contribute to sustainable outcomes and continued development benefits after the life of the project by linking up to national programs. In addition, the community-based approach for housing reconstruction developed under the CSRRP-Rekompak project in Aceh has been replicated and adopted by the national government for postdisaster housing reconstruction.

A secure and peaceful Aceh is recognized as an important legacy of the reconstruction and is essential to continued growth and development. The MDF operates in a unique context of postdisaster recovery layered upon a postconflict environment. The provincial government and Bappenas are providing continued attention to bridging Aceh's reconstruction and peace-building initiatives through mainstreaming conflict-sensitive economic development. The MDF has supported the government's agenda to the extent

possible within its mandate by including conflict-sensitivity as an important feature of project design. The Consolidating Peaceful Development in Aceh (CPDA) program, a new initiative supported by the Netherlands and AusAID in partnership with The World Bank and government, is aimed at filling gaps in mainstreaming conflict reduction into Aceh's development agenda.

The MDF's mandate is disaster reconstruction and it is not designed to address all of Aceh and Nias's development problems. Nevertheless, the MDF is working to support the Government of Indonesia and provincial governments to "build back better," and thereby help lay the foundation for future economic growth and development. The MDF's two main



A student visiting the Nias Heritage Museum in Gunung Sitoli, Nias on a study trip supported by the KRRP. KRRP promotes the preservation of the unique cultural heritage in Nias through training for teachers and students.

Photo: KRRP collection

economic development and livelihoods projects have just started and are designed to be a catalyst to economic growth in several key production sectors, with a focus on agriculture, across Aceh and Nias. These projects are limited in scope and time, but will help to lay the foundation for future economic development in line with the reconstruction master plan and the provincial governments' mid-term development plans. More importantly, they are providing models, pilots, and systems that can be built upon after the MDF ends.

The MDF will be assessing outcomes and the impact of its efforts with a focus on lessons learned. The MDF offers valuable lessons in both implementation and effective donor harmonization. The MDF and the overall reconstruction of Aceh and Nias are already recognized as a success by the global community. It is important to make the lessons from this remarkable recovery and reconstruction effort available for future postdisaster reconstruction work elsewhere.

Models developed in Aceh such as the community-based housing and infrastructure project have already been replicated elsewhere in Indonesia for recovery from earthquakes and tsunamis and now, more recently, is being applied for the recovery of communities impacted by the eruption of Mt. Merapi. This model is also being studied for use in Haiti and in other international contexts. Building on its experience with the MDF, the Gol has set up the Indonesian Multi Donor Fund Facility for Disaster Recovery (IMDFF-DR) as a standing fund for disaster response and disaster prevention. The lessons learned from the implementation of the MDF's reconstruction and recovery program, however, are not limited to postdisaster settings. It is also important to document microlevel successes and lessons learned about governance, community empowerment, and building stronger institutions to enhance the future development of Aceh and Nias.

Feature Story 4

Supporting Postdisaster Recovery through Community-based Organizations in Nias

For the first time, the village of Lewuoguru, in the subdistrict of Gunung Sitoli in Nias has an educational facility. A center where young children can learn and play has been established and is now operational in the village, using the national curriculum for early childhood education. The children attend the school two hours every day where they can play with friends using toys, sing, and also learn how to read and write.

Based on an initiative by Ingin Maju—a local women’s community-based organization (CBO)—the facility is the perfect response to the concerns of local women that small children did not have any educational opportunities. With support from the UNDP’s Support to Strengthen the Capacity of Civil Society Organizations Project (CSO) and funding from the Multi Donor Fund of Rp. 108 million (US\$ 11,980), the facility was opened in October 2008. While most men tried to press the organization to spend their small grant on income-generation activities, the women’s group was firm on their goal—to obtain an education facility for the local village children. Austcare, an Australian NGO, partnered with UNDP in implementing the CSO project in Nias.

Yusminar Harefa, 29 years of age, lives in subvillage III of Lewuoguru village. She works as an assistant teacher at a local primary school and also acts as the secretary to Ingin Maju. ‘The presence of the Ingin Maju Early Age Education Center is something so fantastic for us in our village. We have faced numerous difficulties and lots of constraints in implementing this program. At one point, we were thinking that we were not able to continue the program as it was very challenging.’

Yusminar’s husband was initially reluctant to offer his full support to her in running the CBO, believing that her role at Ingin Maju would distract from her work as an assistant teacher at the school. However, the Austcare facilitator conducted a meeting with the CBO management team in her house, showing her how to do proper bookkeeping as well as how to divide her time for family and the CBO. Her husband then started to develop an awareness and understanding of her work and the work of the CBO and about gender equality. It was eventually the support from her husband that encouraged Yusminar to stay engaged with the work of the CBO.

The school had an initial enrolment of 50 pupils, but by the end of 2008 the number had increased to 60, including some children from a neighboring village. There are 27 boys and 33 girls with six certified teachers (all female) working in the facility. A local school committee has been established to support the school and acts as a school board to provide oversight for the learning process at the school. They also liaise with parties outside of the village, including local government authorities and nongovernment actors, to obtain support for the school. The local health agency (Dinas Kesehatan) has also extended its services by conducting health checks for the schoolchildren.

“We hope in the future we will have a primary school so that our children do not have to travel to the neighboring village about five to six kilometers away to attend school.”

The women's group has also been strengthened through training and mentoring provided by Austcare—including program planning, bookkeeping, and time management. Further training was provided by the Nias Civil Society Resource Center on organizational management, leadership, strategic planning and gender mainstreaming. The women in the village are very pleased that, through their hard work, not only do they now have a school for their children but have also gained respect from their village and families.

Ingin Maju aims to develop this education facility further in the future, capitalizing on various training that they have received that has been helpful in managing operational funds, which come from iuran (regular contributions from the parents) and also from independent donors.

The MDF's CSO project has completed its activities, but the impacts of this project will continue to be felt in Lewuoguru. According to Yusminar: 'We hope in the future we will have a primary school so that our children do not have to travel to the neighboring village about five to six kilometers away to attend school. Nevertheless, now I can smile and also laugh when seeing the results of our struggle, the women's group in our village. Thank you Austcare, UNDP and also MDF donors for having provided assistance to our village.'



The women's CBO called Ingin Maju (Desire for Progress) in Lewuoguru, Nias, used a small grant from the MDF's Support for CSOs project implemented by UNDP to create an early childhood education program for village children. The project provided training and capacity building to selected CSOs and CBOs across Aceh and Nias, including the women in Ingin Maju. It was a happy day for the members when the new preschool was officially launched, with numerous visitors in attendance.

Photo: AUSTCARE Collection for CSO Project



“MDF investments in physical infrastructure and human capital contribute to making Aceh and Nias more resilient to future disasters.”

The IRFF and IREP projects, cofinanced by the Government of Indonesia and the MDF, designed and constructed more than 50 large infrastructure subprojects across Aceh and Nias. This sea barrier built in Aceh Jaya stabilized the river mouth after the tsunami and provides safe access to the sea for the fishing community living nearby.

Photo: IRFF Collection

Annexes | Project Portfolio

No. Project		Funds Allocated Millions of US\$
Recovery of Communities		
1	Community-based Settlement Rehabilitation and Reconstruction Project (CSRRP or ReKompak)	85.00
2	Community Recovery Through the <i>Kecamatan</i> Development Program (KDP)	64.70
3	Community Recovery Through the Urban Poverty Project (UPP)	17.96
4	<i>Kecamatan</i> -based Reconstruction and Rehabilitation Planning in Nias Project (KRRP)	25.75
5	Reconstruction of Aceh Land Administration System Project (RALAS)	14.83
Recovery of Larger Infrastructure and Transport		
6	Banda Aceh Flood Mitigation Project (BAFMP)	6.50
7	Infrastructure Reconstruction Enabling Program (IREP)	42.00
8	Infrastructure Reconstruction Financing Facility (IRFF)	136.70
9	Lamno-Calang Road Maintenance Project	1.46
10	Sea Delivery and Logistics Programme (SDLP)	25.03
11	Tsunami Recovery Ports Redevelopment Programme (TRPRP)	3.78
12	Nias Rural Access and Capacity-building Project (RACBP)	11.80
Strengthening Governance and Capacity Building		
13	Capacity Building for Local Resource-based Rural Roads (CBLR ₃)	11.80
14	Support for Poor and Disadvantaged Areas Project (SPADA)	25.60
15	Support to Strengthen the Role and Capacity of Civil Society Organizations (CSO)	6.00
Sustaining the Environment		
16	Aceh Forest and Environment Project (AFEP)	17.53
17	Tsunami Recovery Waste Management Programme (TRWMP)	39.40
Enhancing the Recovery Process		
18	Technical Assistance (TA) to BRR and Bappenas	24.48
19	Making Aceh Safer Through Disaster Risk Reduction in Development (DRR-A)	9.87
20	Aceh Government Transformation Programme (AGTP)	13.98
21	Nias Island Transformation Project (NITP)	3.89
Economic Development and Livelihoods		
22	Economic Development Financing Facility (EDFF)	50.00
23	Nias Livelihoods and Economic Development Project (LEDP)	8.20
TOTAL ALLOCATION TO PROJECTS		646.26

1. Community-based Settlement Rehabilitation and Reconstruction Project (CSRRP or Rekompak)

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

Grant Amount	US\$85.00 million
Implementation Period	November 2005–April 2010
Partner Agency	The World Bank
Implementing Agency	Ministry of Public Works
Disbursements as of September 30, 2010	US\$84.97 million ⁸

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

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

Major Achievements

The community-driven approach used in the project has proved effective in rebuilding houses within a limited timeframe and



Students passing through a housing complex built through CSRRP/Rekompak in Air Pinang village, Kabupaten Simeulue Timur, Aceh.

Photo: Irwansyah Putra for MDF

resulted in a strong sense of ownership from the beneficiaries. Block grants provided to communities enabled recipients to rebuild nearly 8,000 houses and repaired almost 7,000 damaged houses in the 130 funded villages. On average, more than 97 percent of the reconstructed and rehabilitated houses are occupied. Community Settlement Plans (CSPs) were completed in 126 villages. The project also provided grants for the rebuilding of community infrastructure in 180 villages, directly benefiting more than 79,000 people. These projects included village roads, drainage systems, bridges, and public water and sanitation facilities. The project has also strengthened capacities for the local communities and local economy through business and technical management training. In addition, the project stimulated the local economy through job creation and encouraged the support of local businesses.

Based on the successful implementation of Rekompak in Aceh, the community-based model for reconstruction of housing has been adopted by the Government of Indonesia in postdisaster situations following the earthquake in Central Java and Yogyakarta in 2006 and in West Sumatra in 2009. A Bappenas study in 2005⁹ and a beneficiary satisfaction survey conducted in 2008 commissioned by the project, showed that Rekompak delivered quality housing at a lower cost (up to 40 percent lower) than other projects that did not use a community-based approach.

<i>Results as of project closing April 30, 2010</i>	<i>Targets</i>	<i>Achievements</i>
Destroyed houses reconstructed	8,004	7,964*
Damaged houses rehabilitated	6,999	6,999
Community Settlement Plans	126	126
Village roads repaired/constructed (km)**	-	133
Irrigation and drainage repaired/constructed (km)**	-	142
Clean water, water storage and wells (unit)**	-	173
Short-term employment created (workdays)	-	7,800,535

* The remaining 40 houses were cancelled for various reasons including land issues.

** Targets were set at community level during implementation.

8 Unspent residual funds are returned to the MDF pool of funds.

9 The study was titled Findings of Post Construction Economic Impact Analysis Study for CDD Programs.

2. Community Recovery Through the Kecamatan Development Program (KDP)

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

Grant Amount	US\$64.70 million
Implementation Period	November 2005–December 2009
Partner Agency	The World Bank
Implementing Agency	Ministry of Home Affairs
Disbursements as of September 30, 2010	US\$64.70 million

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

Major Achievements

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

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

The majority of MDF funding disbursed through KDP block grants (more than 90 percent) was used to build or repair local-level infrastructure, including village roads, bridges, schools, markets, health clinics, irrigation and drainage facilities, and provision of clean water. MDF funds were also used for social support needs such as microcredit, scholarships, and emergency relief funds for families. Capacity building at the community level for local-level planning and management of reconstruction and

future development activities was one of the most important outcomes of the project.

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

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

Results as of project closing December 31, 2009	Targets	Achievements
Roads repaired/constructed (km)	2,412	2,399
Bridges repaired/constructed (units)	1,007	932
Irrigation and drainage (km)	931	1,238
Clean water projects (units)	598	844
Water storage reservoirs (units)	118	180
Sanitation units (MCK)*	939	778
Village-level markets	21	26
School buildings	289	292
Health clinics/posts	33	11
Value of scholarships (US\$)	380,604	326,270
Number of recipients	6,052	6,074
Amount for loans (US\$)	379,000	1,415,460
Number of recipients	4,045	7,001
Number of businesses/ groups	350	554
Persons employed through subprojects	-	265,000
Workdays generated	-	3,500,000
Emergency relief funds (US\$)	4,528,898	4,369,310

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

3. Community Recovery Through the Urban Poverty Project (UPP)

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

Grant Amount	US\$17.96 million
Implementation Period	November 2005–December 2009
Partner Agency	The World Bank
Implementing Agency	Ministry of Public Works
Disbursements as of September 30, 2010	US\$17.45 million ¹⁰

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

Major Achievements

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

Achievements in the reconstruction of physical infrastructure in many areas surpassed initial planned targets. The largest share of project-financed block grants for community infrastructure was allocated to roads and bridges, drainage, and water. Nearly 39,000 households (about 48 percent of the population in the 273 *kelurahan* selected to receive block grants) received social assistance grants.

The project included a specific component for the empowerment of women, to ensure that women's needs were represented in the community planning and implementation of block grant-funded reconstruction activities. Women who participated in this program have shown significantly improved capacity to

direct activities, administer proposals, submit accountability reports and manage relationships with other stakeholders.

The UPP project is one of several MDF-supported CDD projects that was integrated with and designed from the outset to transition into the Government of Indonesia's national PNPM Mandiri program. The project was highly successful in assisting communities to prepare the community spatial plans required to mobilize additional funding from other CDD-type post-tsunami housing projects.

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

Results as of project closing December 31, 2009	Targets****	Achievements
Roads repaired/reconstructed (in km)	61	231
Reconstruction of bridges (in meters)*	6,150	1,382
Drainage (in km)	37	176
Clean water projects (units)	79	4,915
Waste disposal facilities	284	806
Sanitation units	22	405
School buildings	100	159***
Building of town/village hall	44	120
Health clinics/posts**	28	29
Students receiving scholarships	-	3,430
Value of scholarship (US\$)	-	74,043
Workdays generated	-	1,124,126
Social aid funds (US\$)	-	1,218,374

* The bridge projects were below target due to the length and bridge designs exceeded the community's allocated budget.

** The number of health clinics was below target since some clinics were built / rehabilitated by other institutions. Unused budgets from bridges and clinics projects were used to build longer roads and/or drainage.

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

**** Targets were set at community level during implementation.

10 Unspent residual funds are returned to the MDF pool of funds.

4. Kecamatan-based Reconstruction and Rehabilitation Planning in Nias Project (KRRP)

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

Grant Amount	US\$25.75 million
Implementation Period	February 2007–June 2011
Partner Agency	The World Bank
Implementing Agency	Ministry of Home Affairs
Disbursements as of September 30, 2010	US\$25.75 million

KRRP contributes to the recovery of the devastated areas in 126 villages across Nias by supporting local level planning and management of the reconstruction of communities, including the rebuilding of productive infrastructure and social services. The project builds on the participatory planning process of other MDF-supported community recovery programs such as the KDP which has now closed and transitioned into the national PNPM Rural program. The project also aims to enhance the capacity for sectoral planning of district governments. The project's school reconstruction and rehabilitation component includes activities designed to increase awareness and appreciation of Nias's unique cultural heritage.

Major Achievements

Housing construction has made significant progress, with nearly 4,500 homes built. Work is still ongoing in the construction of schools and village office buildings. Basic community infrastructure, including access roads, bridges, and drainage systems, has made good progress, with all subprojects completed or under way. The overall quality of construction is good, with appropriate measures taken to meet recognized construction standards for earthquake-prone environments. The cultural heritage preservation activities under the project support development of local curriculum materials and training of teachers and students in conjunction with the Nias Museum and visits to traditional villages.

Reconstruction in Nias has been particularly difficult due to the remoteness and difficult access of many areas, the wet climate, frequent landslides, the shortage of legally sourced timber, the general poor quality of the island's infrastructure, and overall poverty. KRRP has filled gaps in reconstruction needs identified by the government and, as a result, the project works in some of the most remote and difficult-to-access parts of the island. This has intensified the challenges and also increased project costs given the high cost of transport for construction materials

to these remote areas. The difficulty of recruiting and retaining qualified field facilitators, a critical ingredient to the success of all community-driven development projects, has also been a challenge throughout project implementation.

	Progress as of September 30, 2010	Targets	Achievements
Houses		5,000	4,300 completed 209 under construction (491 not yet started)
Schools		100	32 completed 68 under construction
Village office buildings		100*	28 completed 82 under construction
Basic village infrastructure (projects)		147**	96 completed 51 under construction

* The initial target of 100 was raised to 110 units.

** The initial target of 100 was revised to 147, with the same budget allocation, following community decisions.



A group of women working on a village road construction project in Nias. More than 21,000 women have participated in the KRRP community infrastructure projects, which include bridges, drainage and irrigation systems in addition to village roads and footpaths.

Photo: KRRP collection

5. Reconstruction of Aceh Land Administration System Project (RALAS)

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

Grant Amount	US\$28.50 million
Implementation Period	August 2005–June 2009
Partner Agency	The World Bank
Implementing Agency	National Land Agency (BPN)
Disbursements as of September 30, 2010	US\$14.83 million

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

Major Achievements

Many important outcomes were achieved by the project despite the fact that not all of the targets were met. The project brought many intangible benefits in addition to its contribution to restoring land rights and rebuilding the land administration system in the province. Training and capacity building in CDA will continue to have an impact in terms of government delivery of land-titling services. Perhaps most importantly, increased public awareness and understanding of land-titling procedures will impact on demand for these services into the future, as well as the transparent delivery of such services. RALAS greatly contributed to the prevention of large-scale land speculation and the CDA approach facilitated the resolution of land disputes at the village level. The project also placed an important emphasis on protecting the property rights of women through joint land titling.

Project implementation issues were a challenge throughout the project's life. Weak management, especially in the areas of oversight and direction setting, procurement, program

planning, and monitoring and evaluation led to significant delays and affected overall implementation progress. Nevertheless, at closing, a total of 222,628 land title certificates had been distributed to land holders, of which 63,181 were issued in the name of women or jointly in the name of women. Cumulatively, BPN surveyed 275,945 land parcels and notified 272,912 land parcels. Project assessments found that beneficiaries who received land titles were highly satisfied.

Results as of project closing June 30, 2009	Targets	Achievements
Total number of land title certificates to be distributed (by December 2008)	600,000	222,628
Total number of land titles registered in the land book	600,000	238,758
Total number of land parcels publicly notified	600,000	272,912
Total number of land parcels officially surveyed	600,000	275,945
Total number of community land maps completed*	600,000	317,170

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



A beneficiary from the MDF's land-certification project, RALAS, carrying survey poles to mark her land. More than 63,000 land certificates distributed through this project were either jointly titled or solely titled to women.

Photo: Akil Abduljalil/MDF Secretariat

6. Banda Aceh Flood Mitigation Project (BAFMP)

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

Grant Amount	US\$6.50 million
Implementation Period	May 2006–December 2009
Partner Agency	The World Bank
Implementing Agency	Muslim Aid
Disbursements as of September 30, 2010	US\$6.27 million

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

Major Achievements

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



This pump station in Lampaseh is one of three pump stations constructed by BAFMP. The drainage and flood prevention rehabilitation works were designed to be compatible with the existing long-term plans for the Banda Aceh drainage system. It was completed in 2009.

Photo: Tarmizy Harva for MDF

By project closing, the project had reached its objectives within the allocated budget. Construction had been completed on the three pumping stations, all flood valve installations, and drainage reconstruction and rehabilitation works. The project followed a phased implementation approach so that the community could benefit from partial impacts while implementation was underway. In early 2006, the project installed 11 flood valves to prevent tidal flooding and to drain one of the most flood-prone areas of Banda Aceh. This pilot valve program was successful in stopping tidal incursion within six months of startup. Partial protection against stormwater flooding was achieved after 15 months through cleaning and repairing the existing system, and full protection against the storm flows estimated in the five-year design was reached in 2009 after the three new pump stations were constructed and operational.

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

<i>Results as of project closing December 31, 2009</i>	<i>Targets</i>	<i>Achievements</i>
Immediate flood reduction through flood valves	11	11
Drainage system reconstructed		
• Pumping stations	3 stations	Complete
• Flood valves (Zone Two)	All flood valves in Zone Two	Complete
• Drainage (reconstructed/rehabilitated)	4.4km/ 12.3km	Complete
Vehicles handed over to local Sanitary Agency	28	28 three-wheeled waste collection vehicles

7. Infrastructure Reconstruction Enabling Program (IREP)

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

Grant Amount	US\$42.00 million
Implementation Period	September 2006–December 2011
Partner Agency	The World Bank
Implementing Agency	Ministry of Public Works
Disbursements as of September 30, 2010	US\$28.55 million

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

Major Achievements

IREP has provided support to IRFF projects as well as the government in the preparation of government-financed infrastructure. IREP has prepared all 52 projects implemented by IRFF and also provided technical input to central, provincial and district governments on the design and implementation of infrastructure projects to be funded through other sources.

Further key responsibilities of IREP are ensuring that proper safeguard measures are integrated into project preparation and that the quality of the infrastructure works meets the specifications of the technical designs prepared.

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

Results as of September 30, 2010	Achievements
Post-tsunami infrastructure reconstruction and development monitoring framework for Aceh and Nias	Framework is complete and being applied (will be reviewed at end of project)
Development of a sustainable and strategic long-term infrastructure reconstruction plan for Aceh and Nias	Complete in conjunction with BRR, local government, and IREP, and utilized throughout the project
Proper safeguard measures are integrated into project preparation	All projects prepared by The World Bank as partner agency include safeguards frameworks and all projects implemented under IRFF adhere to the safeguards framework



The IREP technical teams design and review infrastructure at the national, provincial and district levels. The Malahayati port in Kabupaten Aceh Besar above is one of five ports designed under this project.

Photo: Irwansyah Putra for MDF

8. Infrastructure Reconstruction Financing Facility (IRFF)

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

Grant Amount	US\$136.70 million
Implementation Period	March 2007–June 2012
Partner Agency	The World Bank
Implementing Agency	Ministry of Public Works
Disbursements as of September 30, 2010	US\$72.86 million

Through IRFF, flexible funds were made available for infrastructure needs contributing to the meeting of strategic access needs. Infrastructure needs at the national, provincial and district levels are identified through the IREP framework and financed by the IRFF. Both IRFF and IREP strongly emphasize capacity building for local and provincial governments. Both projects supported the BRR transition strategy and, following the closure of BRR, project implementation was transferred to the Ministry of Public Works. The Government of Indonesia provided cofinancing of US\$107.3 million for IRFF through the BRR.

Major Achievements

The IRFF project is financing a range of infrastructure reconstruction works which include national, provincial and district roads, bridges, ports and water systems of high quality. Through these works, IRFF is contributing to the reconstruction of a strategic transport network in Aceh and Nias, despite the many obstacles that the environment poses, including difficult conditions in mountainous areas, rain and flooding, and landslides. IRFF utilizes local infrastructure investment plans and the IREP strategy to identify possible projects for implementation. Environmental impact assessments and associated management plans ensure that environmental safeguards are in place.

IRFF subprojects have shown significant progress over the past year and 95 percent of the subprojects under the first phase of IRFF are now completed. The remaining 5 percent of projects are under construction. Fifty projects have been completed, and two projects are at various stages of implementation. Additional financing of US\$37 million was approved in 2010 for road construction (including one bridge) along the west coast of Aceh. Bidding documents are being prepared for the six contracts required to complete this strategic portion of road that will complete the link between Banda Aceh and the North Sumatra border.

Results as of September 30, 2010	Number of Contracts/Projects	Value of Projects (Millions of US\$)
Completed:	50	173.89
• National roads	6 (185 km)	24.03
• Provincial roads	9 (316.6 km)	65.19
• Kabupaten roads	20 (136.6 km)	21.97
• Water systems	11	30.80
• Ports	4	31.90
Under construction:	2	22.87
• National roads	1 (70.4 km)	16.43
• Kabupaten roads	1 (15.3 km)	6.44
Under preparation:	6	36.70
• National roads	3 (49 km)	29.03
• Bridge (Kuala Bubon Bridge)	1	4.77
• Consultant packages	2	2.90



An employee from the State Water Company (PDAM) performing maintenance checks at this water supply facility in Sabang, built under the IRFF project.

Photo: Irwansyah Putra for MDF

9. Lamno-Calang Road Maintenance Project

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

Grant Amount	US\$1.46 million
Implementation Period	December 2006–December 2007
Partner Agency	United Nations Development Programme
Implementing Agency	United Nations Development Programme
Disbursements as of September 30, 2010	US\$1.46 million

Large portions of the road system, particularly on the west coast of Aceh, were damaged or destroyed by the 2004 tsunami. A key route is the Banda Aceh to Meulaboh road. In 2006 the stretch of road between Lamno and Calang was in critical condition as overloaded trucks and lack of maintenance often rendered the road impassable to traffic, especially during the rainy season. This project provided urgently needed continuous maintenance services to keep this major west coast corridor operational for a period of 14 months.

Major Achievements

The Lamno-Calang Road is the main transportation route for materials to the west coast. The project’s completion report submitted in 2008 highlights the critical importance of the project in the early phase of Aceh’s reconstruction and rehabilitation efforts. The maintenance work undertaken reduced the travel time between Lamno and Calang by half, from between six to eight hours to three to four hours. As a result, it is estimated that traffic increased by about 50 percent with additional vehicles diverting from other roads in worse condition.

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

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

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

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



This map shows the stretch of road that was maintained under the Lamno-Calang Road Maintenance Project.

Source: BRR Book Series, 2009

10. Sea Delivery and Logistics Programme (SDLP)

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

Grant Amount	US\$25.03 million
Implementation Period	February 2006–September 2011
Partner Agency	World Food Programme
Implementing Agency	World Food Programme
Disbursements as of September 30, 2010	US\$25.03 million

From 2005 to the first quarter of 2007, the SDLP provided a full shipping service with the primary goal of coordinating the transport and shipping of reconstruction materials. Once the shipping of goods had transitioned to the commercial sector, the project focused on providing logistics support and port management training to key staff in the 18 main ports of Aceh.

The project offered logistics support and consulting services to the private sector, government agencies and humanitarian organizations operating in Aceh and Nias, ensuring the



The aim of the SDLP was to fulfill urgent recovery transportation needs and to support the recovery of the marine transportation system in Aceh and Nias. This was achieved partly through the efficient and safe transportation of reconstruction goods, based on the demand of multiple reconstruction stakeholders.

Photo: SDLP collection

continued effective operation of those investments. The SDLP is currently initiating a new phase focusing on capacity building through training, technical assistance and in-depth capacity assessments, further investing in Aceh's transition to sustainable development.

Major Achievements

Transportation of goods to remote destinations throughout the affected areas, including beaches in Nias and Simeulue, has been a major benefit of this project. The project transported a total of 98,185 metric tonnes/ 256,006m³ of relief and reconstruction cargo from its inception in 2006 to March 2007.

With the needed reconstruction materials delivered to intended sites, the project shifted focus to training programs to build necessary skills to allow the beneficiaries to continue the work done to date. Training modules in administration and support functions to the ports were developed based on international curriculums and training sessions commenced on December 16, 2008. This component of the program complements the reconstruction of ports in Aceh and Nias through other Multi Donor Fund projects.

The training was delivered with links to the Provincial Training and Human Resource Agency (BKPP) and the University of Syiah Kuala. The university aims to include certain modules of the training into their postgraduate business degree programs. Links with the university and the Ministry of Transportation are being maintained in order to enhance the sustainability of project initiatives.

Progress as of September 30, 2010	Achievements
Users of shipping and logistics services since project start:	930 records of logistics support given:
<ul style="list-style-type: none"> Government of Indonesia United Nations agencies Commercial sector NGOs 	<ul style="list-style-type: none"> 456 174 168 132
Reconstruction materials shipped (until December 2006, metric tonnes)	98,185
Monitored commercial cargo movement (since October 2006, metric tonnes)	1,200,925
Port management training sessions held	138 (2,063 participants)

11. Tsunami Recovery Ports Redevelopment Programme (TRPRP)

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

Grant Amount	US\$3.78 million
Implementation Period	March 2006–December 2007
Partner Agency	United Nations Development Programme
Implementing Agency	United Nations Development Programme
Disbursements as of September 30, 2010	US\$3.78 million

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

Major Achievements

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

Environmental impact assessments were completed for Calang, Sinabang, Gunung Sitoli, Meulaboh and Singkil ports. Economic feasibility studies were also completed for these ports, as well as for the Kuala Langsa port. Temporary wharves in Calang and Sinabang were completed and handed over to BRR. These works enabled better docking conditions and storage of cargo, and were mainly used by the World Food Programme (WFP) and

NGOs operating in the surrounding areas.

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

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

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

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



The TRPRP project constructed temporary wharves in Calang and Sinabang. The wharves were mainly used by the WFP Shipping Service project and NGOs operating in these areas, enabling better docking and cargo storage facilities for reconstruction materials, and providing access to hard to reach areas.

Photo: SDLP Collection

12. Nias Rural Access and Capacity-building Project (RACBP)

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

Grant Amount	US\$10.00 million
Implementation Period	October 2009–June 2012
Partner Agency	International Labour Organization (ILO)
Implementing Agency	International Labour Organization (ILO)
Disbursements as of September 30, 2010	US\$5.00 million

The Nias-RACBP project aims to improve and sustain strategic rural roads in order to improve access to economic and social services and facilities for communities in the targeted areas. The project was approved by the MDF Steering Committee in September 2009, part of the last group of projects aimed at restoring livelihoods and contributing to sustained economic growth. The Nias-RACBP, together with the Nias-LEDP, builds a synergy for development on Nias through strategic targeting of communities in three agricultural/economic clusters across 21 subdistricts, to optimize the economic benefits of investments in agricultural productivity promotion and rural access improvements. Local resource-based approaches will be employed, combined with environmentally friendly construction approaches that require minimal maintenance.

The project's cultural heritage subcomponent seeks to enhance public awareness and ownership, facilitate sustainable public utilization and preservation of Nias's unique cultural heritage assets, and to preserve traditional construction techniques. Increasing awareness of cultural heritage preservation, capacity building and on-the-job training are key elements of the RACBP.

Major Achievements

The project's inception activities have been completed and project implementation is underway. Training, planning, and capacity building, in addition to selected pilot activities, are ongoing. Training workshops have been held and capacity assessments completed. The selection and on-the-job training of site supervisors in the construction of local resource-based roads have commenced. In close coordination with the local governments, a strategic rural transport infrastructure plan has been finalized in one cluster and is under preparation in the other two clusters. Preparation work for 2.3 kilometers of motorbike trails was completed by two community construction teams

as a pilot activity, and the tender process for an additional 33 kilometers is underway. Sites for trails, roads and river crossings have been identified, and traditional houses and megalith structures have been assessed for inclusion in the cultural heritage preservation work.

The capacity of local governments in Nias to maintain the infrastructure assets built by the project is a challenge for sustainability, both in terms of technical capacity and funding resources and especially after the recent division of Nias into four districts and one municipality, compared to two districts previously. The geographic and climatic conditions of the Nias Island also present obstacles to road works and these have been considered in the work plan prepared by the project.

Progress as of September 30, 2009	Targets	Achievements
Construction works:		
• Construction of 'all weather' access district roads and motorbike trails (km)	100	Motorbike trails (30.75 kms) and roads (3.17 kms) identified
• Construction of small bridges and river crossings (meters)	1,100	13 river-crossing sites selected for technical survey
• Routine maintenance on district roads (km)	80	Maintenance work not yet started
Training and Capacity Building:		
• On-the-job training (training days)	20,600	912
• Classroom training (training days)	2,200	510



Supervisor training in "cold lay" road construction in Gunung Sitoli, Nias.

Photo: Shaun Parker/MDF Secretariat

13. Capacity Building for Local Resource-based Rural Roads (CBLR3)

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

Grant Amount	US\$11.80 million
Implementation Period	March 2006–June 2011
Partner Agency	United Nations Development Programme
Implementing Agency	International Labour Organization
Disbursements as of September 30, 2010	US\$11.80 million

The CBLR3 (or ILO Roads) project trains local governments to effectively manage the reconstruction and maintenance of district-level roads, and small contractors to build roads with cost-effective local resource-based methods. Contracting the local workforce and using appropriate road construction technologies and work methods enables contractors to compete for road construction and maintenance works during the recovery process and beyond. CBLR3 was extended to June 2011 to prepare a sustainable exit strategy focusing on strengthening an enabling environment in Aceh to institutionalize the local resource-based (LRB) approach. In Nias, a similar approach will be continued under the ILO's RACBP which began implementation in late 2009.

Major Achievements

The CBLR3 project aims to strengthen the capacity of district governments and small-scale local contractors to undertake LRB road works and is showing good results. District public works staff in Pidie and Bireuen have started using LRB worksheets and mechanisms in road surveys for government-funded works. The training program emphasizes an objective contracting system and quality assurance resulting in a transparent bidding process and improved quality of road supervision.

The project also introduces techniques, standards, systems and strategies for LRB road works adapted to conditions in Aceh and Nias. The improved ability of local contractors and public works staff and supervisors to apply the LRB approach in emulsion-based road works and site supervision has resulted in better quality outputs. District public works staff have adopted LRB manuals, applied LRB methods in designated nonproject-funded roads, and used road quality testing methods.

CBLR3 is gender inclusive in its approach to strengthening community participation in rural road development and maintenance. Eighteen women's groups were organized for clearing and spreading activities for road rehabilitation in four districts. In addition, 25 women participated in routine maintenance work carried out by the 12 community maintenance groups from Pidie and Bireuen. The capacity of Community Project Implementation Teams in Aceh and Nias has improved and they are able to implement the works as required.

The additional nine-month extension provides a window to further institutionalize the LRB approach within the various district government agencies to sustain benefits beyond the project life. The physical handover of constructed roads is expected to take place soon.

Results as of September 30, 2010*	Targets	Achievements**
Total roads rehabilitated (km)	155.7	154.6
Total roads maintained (km)	177.3	229.5
Number of local contractors trained (% women)	250 (30%)	341 (1.2%)
Number of local government staff trained (% women)	100 (30%)	178 (7.3%)
Workdays created (% women)	430,000 (30%)	410,345 (23.9% in Aceh) (31.5% in Nias)

* Targets were under reported last year.

** The target of 30 percent female trainees has proven to be unrealistic as the road contracting industry is a predominantly male-oriented business. Through well-targeted activities, the project managed to maximize women's participation in its training activities.



Local residents enjoy improved access to schools, markets and services on a road in Kecamatan Delima of Kabupaten Pidie Jaya constructed under the UNDP's CBLR3 Project implemented by the ILO.

Photo: Tarmizy Harva for MDF

14. Support for Poor and Disadvantaged Areas Project (SPADA)

The Support for Poor and Disadvantaged Areas Project (SPADA) strengthens district government capacity to incorporate bottom-up (village, subdistrict and intersubdistrict) planning and needs analysis into district planning and budgeting. SPADA links the participatory subdistrict planning process of PNPM Mandiri Perdesaan to district government decision making, and provides block grants to improve public services and the recovery of basic infrastructure.

Grant Amount	US\$25.60 million
Implementation Period	February 2007–December 2011
Partner Agency	The World Bank
Implementing Agency	Ministry for the Development of Disadvantaged Areas (KPDT)
Disbursements as of September 30, 2010	US\$17.93 million

This project provides block grants to districts in Aceh and Nias to fund projects identified for subdistricts through the KDP/PNPM planning mechanism. SPADA aims at strengthening the capacities of district governments and promoting economic development through infrastructure investments.

Major Achievements

SPADA provides block grants of up to US\$50,000 to districts to support projects emerging from the subdistrict planning process that contribute to reconstruction, reconciliation, and development. Thirty percent of these grants are reserved to support quality improvements in health and education. As of September 30, 2010, a total of 883 subprojects have been completed in Aceh and Nias. These include 375 subprojects for infrastructure (42 percent), 266 for education (30 percent), and 242 for health (28 percent). Involvement of vulnerable groups, especially women, in the community-planning process and training activities has reached 30 percent, and up to 50 percent in some locations.

Through a combination of training, practical exercises, professional technical support, and the establishment of learning networks, SPADA builds capacity at district and subdistrict levels. SPADA provided funding to expand the USAID-financed Local Governance Support Project (LGSP) to build capacity in ten Aceh districts on local development planning and budgeting. Implementation of the SPADA Economic Governance in Aceh (SPADA-EGA) component, cofunded by the MDF and the Department for International Development (DFID), has improved the local business climate in the targeted districts. SPADA-EGA has also inspired local governments to apply the good governance principles—participation, transparency, accountability, and equality—to other aspects of public services.

Results as of September 30, 2010	Targets	Achievements
Rural districts using participatory planning processes for budgeting and financing of development activities	More than 80%	100% of districts now participate in Gol's participatory planning and budgeting process (<i>musrenbang</i>), and SPADA feeds into this process and helps build capacity.
Subprojects proposed and funded in all 19 districts	Based on need assessment by communities	<ul style="list-style-type: none"> Roads (777 units/195.6 km) Bridges (132 units/5.6 km) Drainage (206 units/11.5 km) Irrigation (70 units/6.5 km) Clean Water (373 units) School Rehabilitation (50 units) Village Health Clinic (54)
Education/health activities implemented, which focus upon improving the overall quality of services and are demand-responsive to need	Based on need assessment by communities	<p>Health:</p> <ul style="list-style-type: none"> Training (295) Rehabilitated Health Clinics (55) <p>Education:</p> <ul style="list-style-type: none"> School-based management training (49) Other training (255) School Rehabilitation (121) Books, tools, furniture (233)



SPADA supports school rehabilitation and provides school-based management training as well as books, tools, and furniture to village schools.

Photo: Akil Abduljalil/MDF Secretariat

15. Support to Strengthen the Role and Capacity of Civil Society Organizations (CSO)

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

Grant Amount	US\$6.00 million
Implementation Period	February 2007–May 2010
Partner Agency	United Nations Development Programme
Implementing Agency	United Nations Development Programme
Disbursements as of September 30, 2010	US\$6.00 million

The CSO project strengthened the capacity of CSOs and CBOs in Aceh and Nias. Civil Society Resource Centers (CSRCs) established through the project in Aceh and Nias provided a platform for local governments and CSOs to interact. CSOs/CBOs were encouraged to participate in training and compete for small grants to support initiatives such as rebuilding basic social services, women's empowerment and income-generating activities.

Major Achievements

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

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

The project trained more than 200 CSOs/CBOs in Aceh and Nias in a set of community development "competencies" which included monitoring of rehabilitation and reconstruction

activities, project management, strategic planning, leadership, and gender-related issues. CSOs introduced community-based monitoring which facilitated the monitoring of the rehabilitation and reconstruction process by communities, and created a space for communities and government to interact on issues and problems encountered during reconstruction.

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

Results as of project closing May 31, 2010	Targets	Achievements
Small grants provided/ value of grants	141	142/ US\$2,380,477.34 *
Beneficiaries of livelihood grants	–	33,398 (14,764 women)
CSRC staff trained (training of trainers)	–	83 (25 women)
CSO staff trained	–	1,100 (324 women)

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



The CSO project provides small grants to build the capacity of CBOs. This grant improved livestock production through the immunization of goats in Singkil.

Photo: Muslim Aid collection for CSO Project

16. Aceh Forest and Environment Project (AFEP)

The Aceh Forest and Environment Project (AFEP) helps protect Aceh's Leuser and Ulu Masen forest ecosystems from illegal logging. The protection of this 3.3 million hectare area will safeguard not only the water supply of approximately 60 percent of Aceh's population but also Southeast Asia's richest remaining source of biodiversity. The project's closing date has been extended until June 30, 2011.

Grant Amount	US\$17.53 million
Implementation Period	February 2006–June 2011
Partner Agency	The World Bank
Implementing Agency	Leuser International Foundation (LIF) and Fauna and Flora International (FFI)
Disbursements as of September 30, 2010	US\$16.93 million

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

Major Achievements

The project continues to focus on its core activities, including monitoring and reporting illegal forest activities, training and equipping forest and community rangers, mitigating human-wildlife conflicts, and strengthening forest management capacity. This includes expansion of the Community Ranger program that provides environmentally friendly alternative employment to ex-combatants, illegal loggers and poachers in the Ulu Masen and continuation of the Village Monitoring Team activities in the Leuser ecosystem. The project has also made a significant contribution to Aceh's spatial planning process, ensuring that environmental considerations are integral to these plans.

The project promotes effective protection and sustainable management of the Leuser and Ulu Masen forests. Coordination and support to multistakeholder forums for forest management, along with multistakeholder monitoring and law enforcement networks created under the project, continue

in preparation for turning over responsibility to the local government. To date, more than 329 reported cases of illegal logging have resulted in follow-up enforcement by the police.

The project also integrates environmental concerns into reconstruction and development processes in Aceh. AFEP has supported the provincial government's "Aceh Green" initiative in identifying sustainable funding mechanisms for Aceh's long-term sustainable development. Another important activity is to continue training local partners to develop and independently apply low-technology methods for safeguarding farm land and crops from roaming elephants and other wildlife.

Now in its last year of implementation, AFEP is prioritizing support to activities related to postproject sustainability of impacts. The consolidation of sustainable forest management activities will gradually transfer roles and responsibilities to the Government of Aceh.

AFEP has developed curriculum and materials on environmental awareness for schools, trained teachers, and established student eco-clubs with over 6,100 members across Aceh. The project has supported village and *mukim*-level spatial planning processes and initiated community nurseries to improve sustainable tree-crop based livelihoods. The project is now focused on transferring these activities to local partners to ensure sustainability.

Progress as of September 30, 2010	Targets	Achievements
Spatial plans drafted with environmental and conservation inputs reflected	1 Province 7 Districts	2 Provinces 10 Districts
Local level agreements and legislation on forest management and conservation developed	Ulu Masen: 10 <i>Mukim</i> * Leuser: 30 <i>Gampong</i> **	Ulu Masen: 11 <i>Mukim</i> Leuser: 27 <i>Gampong</i>
School teachers trained and provided with environmental and conservation curriculum materials	500	1,007 (65% women)
Nurseries established and operational	50	55
Forest area replanted/restored (in hectares)	5,000	5,238

* *Mukim*: A traditional Acehnese level of government between the *gampong* (village) and subdistrict.

** *Gampong*: The word used in Aceh for a village (called *desa* in other parts of Indonesia).

17. Tsunami Recovery Waste Management Programme (TRWMP)

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

Grant Amount	US\$39.40 million
Implementation Period	December 2005–June 2012
Partner Agency	United Nations Development Programme
Implementing Agency	United Nations Development Programme
Disbursements as of September 30, 2010	US\$31.41 million

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

Major Achievements

Phase One of the project focused on disaster recovery activities, including creating immediate employment, restarting essential services, clearing debris and recovering recyclable materials for use during the rehabilitation and recovery process, as well as resuming municipal waste collection across eight districts in Aceh and Nias to reduce potential environmental and health-related risks. During Phase Two the program aimed to safeguard investments by building sustainability into program interventions and expanded coverage to a total of 13 districts. Phase Three will see the construction of two priority permanent landfills, construction of four more facilities in partnership with national and provincial public works agencies, and the potential construction of four other landfills and limited essential rehabilitation works. TRWMP continues to support waste-management related livelihood activities and capacity building in solid waste management for local governments.

The project partners with UN-HABITAT to deliver an 18-month capacity-building training package for local government on solid waste management. The construction of one permanent regional landfill for Kota Banda Aceh and Aceh Besar, one district landfill in Nias and designs for eight more district landfills are currently in the procurement process. The project initiated a pilot fee-for-service scheme for municipal garbage collection, with a total of 22,947 households participating. Local governments have expanded the TRWMP pilot project to incorporate an additional 16,123 households and 510 public institutions in district-run fee-recovery schemes.

TRWMP also partners with Terre des hommes-Italia (TDH-I) to support livelihoods in activities related to waste management. The project strengthens the waste-management and recycling activities of selected small and medium enterprises or community-based organizations.

Results as of September 30, 2010	Targets	Achievements
Number of dumpsites closed or upgraded to sanitary landfills	10	10
Households paying for household or community waste collection (percent per district)	30	16
Number of small & medium enterprises (SME) with sustainable livelihoods created in waste management sector	140	161



Abdullah, 50, works in the wood workshop near the landfill site in Banda Aceh. The TRWMP has provided a coordinated response to the public health concerns and environmental impact of tsunami and earthquake debris, and municipal waste.

Photo: Abbie Trayler-Smith/Panos Pictures/Department for International Development (UK)

18. Technical Assistance (TA) to BRR and Bappenas

The Technical Assistance (TA) to BRR and Bappenas Project supported the BRR to efficiently enact its mandate to plan, implement, supervise and coordinate the recovery process through providing technical support and key services until the closure of BRR in April 2009. The project was extended to June 30, 2012 to provide support to Bappenas in its coordination role as well as to assist the provincial Bappeda in Aceh and North Sumatra to coordinate and complete the remaining rehabilitation and reconstruction efforts in Aceh and Nias.

Grant Amount	US\$24.48 million
Implementation Period	July 2005–June 2012
Partner Agency	United Nations Development Programme
Implementing Agency	BRR (to April 2009), Bappenas (since April 2009)
Disbursements as of September 30, 2010	US\$24.48 million

The TA to BRR Project was designed to provide a rapid response to BRR on its technical and operational needs from July 2005 to April 2009. The project has been implemented in three phases, and was renamed in May 2009 to reflect the handover of the coordination function for the postBRR rehabilitation and reconstruction efforts in Aceh and Nias to Bappenas. In February 2010, the Steering Committee endorsed Phase Three specifically to support Bappenas and the Bappedas of Aceh and North Sumatra to enhance coordination, monitoring and evaluation of the Aceh-Nias Reconstruction Continuation Action Plan 2010-2012 (“Action Plan 2010-2012”). Bappenas internally refers to Phase Three as Technical Support to the Rehabilitation and Reconstruction Completion and Continued Coordination (TS to R2C3) Project.

Major Achievements

Phases One and Two provided technical assistance and operational support to BRR to achieve its mandate in a transparent and timely manner. This included development of rehabilitation and reconstruction policies, legal framework, and projects/programs, appraisal of proposals submitted by other organizations, and development of tools and capacity for monitoring the implementation of the overall reconstruction program. The project has also supported the development of 217 strategies/policies/guidelines, reviewed 192 proposals, and monitored 284 projects.

Most planned activities in support of BRR were completed by its closure in April 2009 but support continued for the completion and operation of three key management information systems (MIS) for the Aceh-Nias recovery program. The RAND (Recovery

of Aceh-Nias Database) provides a data repository to monitor and coordinate rehabilitation and reconstruction activities funded by external organizations. The KNOW Center preserves information on, and captures lessons learned from, the rehabilitation and reconstruction efforts in Aceh and Nias carried out by the government, donors, and other stakeholders. SIMBADA is the asset management information system to track assets created during the rehabilitation and reconstruction process in Aceh and Nias. Bappenas is the custodian of these systems to ensure each has a relevant home for continued operations and maintenance to preserve and disseminate knowledge and data produced during the recovery efforts in Aceh and Nias.

In addition to supporting disaster-related policy and procedure development, TA to BRR and Bappenas also provided technical assistance to develop and pioneer the streamlined AMDAL process to perform environmental impact assessments (EIA) during Phase Two. The assessments on clusters related to the rehabilitation and reconstruction work in Aceh is particularly relevant in meeting local development needs as well as setting future national standards for environmental planning and development processes.

During the transition period from BRR to Bappenas, the project supported the finalization of the legal document on the Action Plan 2010-2012 that was endorsed by the Governors of Aceh and North Sumatra. Phase Three provides support to Bappenas and Bappeda Aceh and North Sumatra to enhance the coordination, monitoring and evaluation, and implementation of the Action Plan.



Bappenas played a coordination role bringing together multiple stakeholders to complete the Aceh-Nias reconstruction agenda and Action Plan for the Continuation of the Reconstruction and Rehabilitation 2010-12.

Photo: TS to R2C3 Collection

19. Making Aceh Safer Through Disaster Risk Reduction in Development (DRR-A)

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

Grant Amount	US\$9.87 million
Implementation Period	November 2008–December 2011
Partner Agency	United Nations Development Programme
Implementing Agency	Ministry of Home Affairs and Provincial Government of Aceh
Disbursements as of September 30, 2010	US\$5 million

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

Major Achievements

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

The project is sensitive to gender in the context of DRR. Ten districts which are most prone to disaster were selected as pilot locations to implement community-based and gender-sensitive DRR. The DRR-A also loaned technical expertise in the development of the standard operating procedures for the tsunami early warning system (TEWS) in Aceh as a draft Pergub.

The DRR-A project has made significant progress in the past year through the signing of agreements with various provincial government agencies. The Tsunami and Disaster Mitigation Research Center (TDMRC) has been established at the

University of Syiah Kuala to serve as a “think tank” on DRR for the Government of Aceh. The project has established a wide range of partnerships with government, media, NGOs, and academia and is fostering ownership of the DRR agenda with all provincial agencies.

To promote public awareness of DRR, the project was instrumental in establishing PACC which has drawn participation from around 20 organizations/agencies including religious and media sectors. A survey on public awareness of DRR is planned to better gauge PACC's needs and capacity.



Children participating in a DRR-A drawing competition during the International Day for Disaster Reduction Observance, Banda Aceh, October 2010.

Photo: Fakhurrrazi/UNDP

20. Aceh Government Transformation Programme (AGTP)

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

Grant Amount	US\$13.98 million
Implementation Period	July 2008–December 2011
Partner Agency	United Nations Development Programme
Implementing Agency	Ministry of Home Affairs and Provincial Government of Aceh
Disbursements as of September 30, 2010	US\$13.98 million

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



Staff processing RAND data at the Bappeda office in Banda Aceh, Aceh.

Photo: Irwansyah Putra for MDF

Major Achievements

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

AGTP provided operational capacity-building support to key provincial government agencies to effectively fulfill their transition and recovery responsibilities. The project facilitated the implementation of the UNDP Capacity Development Needs Assessments and Capacity Development Plans (CDP) in selected agencies. These agencies have started the process of developing their short- and long-term CDPs to be included in the provincial planning and budgeting documents. With project support, target agencies have prepared budgets for the execution of the “Action Plan for Accelerated Development” in accordance with Presidential Decree No. 47/2008.

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

AGTP provided technical support to the Government of Aceh to verify all assets received from BRR. Asset verification at the district level is still to be completed. Without the formal acceptance of assets from the central government, the operation and maintenance budget would not be appropriated, resulting in the potential deterioration of investments made in the aftermath of the tsunami disaster.

21. Nias Island Transformation Programme (NITP)

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

Grant Amount	US\$3.89 million
Implementation Period	April 2009–December 2011
Partner Agency	United Nations Development Programme
Implementing Agency	Ministry of Home Affairs, Provincial Government of North Sumatra and District Governments in Nias
Disbursements as of September 30, 2010	US\$2.5 million

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

Major Achievements

NITP provides support to complete the transition from BRR implementation to local government management. Critical attention was provided to supporting BKR¹¹ to prepare the Action Plan 2010-2012 as the basis for transition programming. Key systems have been adopted by the relevant agencies, and training on the planning, coordination, monitoring and evaluation of transition projects is underway.

To expedite the completion of priority rehabilitation and reconstruction activities after the transition, NITP worked closely with the local government agencies (SKPDs or *Satuan Kerja Perangkat Daerah*) to prioritize the effective management of rehabilitation and reconstruction assets, including budgeting for their continued operations and maintenance. NITP provided

assistance in the drafting of the legal instrument (Perda) on the district financial information system and asset management and facilitated the implementation of a new district financial management system (SIPKD–*Sistem Informasi Pengelolaan Keuangan Daerah*) in accordance with the Ministry of Home Affairs Circular No. SE.900/294/BAAKD.

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

Completing the transfer of rehabilitation and reconstruction assets is a major challenge that requires intensive and timely coordination of different levels of government as well as various ministries and departments at the center. It is further complicated by the creation of three new districts (*pemekaran*) in Nias in January 2010. Asset transfer has been delayed while governments of the new districts are being formed.



A staff member participating in on-the-job training on using the asset-management database, SIMBADA.

Photo: UNDP collection

¹¹ BKR^N: *Badan Kesiambungan Rekonstruksi Nias*: Nias Sustainable Reconstruction Agency is the provincial-level coordinating body for reconstruction in Nias. Its counterpart in Aceh is BKRA (*Badan Kesiambungan Rekonstruksi Aceh*) and at the central level is BKRA^N (*Badan Kesiambungan Rekonstruksi Aceh dan Nias*).

22. Economic Development Financing Facility (EDFF)

The Aceh Economic Development Financing Facility (EDFF) supports subproject initiatives for the economic development of Aceh and provides assistance to the Government of Aceh in project management and capacity building.

Grant Amount	US\$50.00 million
Implementation Period	March 2009–June 2012
Partner Agency	The World Bank
Implementing Agency	Ministry for the Development of Disadvantaged Areas (KPDT) and Government of Aceh
Disbursements as of September 30, 2010	US\$18.98 million

The EDFF promotes post-tsunami economic recovery and fosters sustainable equitable long-term economic development in Aceh in line with the Government of Aceh's own plans for economic development. The project aims to build a more competitive and supportive business environment necessary to create broad-based private sector job opportunities and growth, targeting the poor and other vulnerable groups. The project provides subgrants to create opportunities for private sector job creation and growth.

Major Achievements

The EDFF provides subproject grants (US\$44.5 million of the total budget) to selected NGOs to carry out activities that



Women's cooperatives in Daya Beurer'eh village, Kabupaten Pidie are being assisted by the Canadian Co-operative Association (CCA) and PASKA, a local NGO, through a grant from the EDFF. These women are making emping crackers using their traditional techniques. The project will strengthen their cooperative and provide better technology to improve their production.

Photo: Vicki Peterson/EDFF Project Team

address critical issues affecting economic development in Aceh. A Call for Proposals was issued and eight subprojects were chosen—out of 121 proposals submitted—by a selection committee, with input from local government, according to agreed and transparent selection criteria. As of September 30, 2010, Subgrant Agreements under the EDFF had been signed with five NGOs: the Canadian Co-operative Association (CCA); Action Aid Australia (AAA); Swisscontact; Muslim Aid; and Islamic Relief. Three additional subproject grant agreements were signed after September 30 with the Aceh Development Fund (ADF); International Organization for Migration (IOM); and Caritas Czech Republic. Each of these organizations will implement activities together with local NGO and/or private sector partners.

The subprojects support activities in key economic sectors including cacao, coffee, patchouli oil, agriculture (rice, peanuts, soybeans), fisheries and fish processing, and livestock. Activities include: (i) provision of inputs, tools and equipment; (ii) quality enhancement; (iii) improved processing; (iv) packaging; (v) support for domestic and international market access; (vi) access to finance; (vii) cooperative development; (viii) improved business environment; (ix) local government capacity building; (x) women's empowerment; (xi) strengthening research and training centers; (xii) cattle breeding and fattening; and (xiii) public infrastructure.

This project has developed a unique implementation model, with the Government of Aceh responsible for project implementation. The Ministry for the Development of Disadvantaged Areas (KPDT) is the lead implementing agency at the central level. Strengthening local government capacity to develop projects, including increasing procurement and financial management capacity, is an important aim of the project. On-the-job capacity building is provided to government staff, and the Government of Aceh has continuously supported the project through cofinancing and the cooperation of related government technical agencies. The project's capacity-building component has already shown significant achievements. Government participation in the processes of procurement, and subproject review, selection and supervision is helping to develop central and local government capacity to manage similar projects in the future.

Initial delays in startup due to the need to set up new implementation arrangements based on the innovative approach of this project, have now been overcome. Subproject proposals and grant agreements have been completed, and project activities are now mobilizing or starting up in 17 districts across Aceh.

23. Nias Livelihoods and Economic Development Project (LEDP)

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

Grant Amount	US\$8.2 million
Implementation Period	October 2010– June 2012
Partner Agency	The World Bank
Implementing Agency	Ministry for the Development of Disadvantaged Areas (KPDT)
Disbursements as of September 30, 2010	US\$0

The Nias LEDP is designed to facilitate postdisaster economic recovery and poverty alleviation of communities affected by the tsunami and earthquake by creating an enabling environment for improved livelihoods and human development in the Nias Island. The project aims to empower beneficiaries to improve their technical, financial, management and marketing skills for livelihoods and economic development activities. The project also aims to develop management and technical capacity within the local government for the implementation of livelihood programs in Nias. This is one of four MDF projects specifically focused on the recovery of Nias, and was developed in conjunction with another MDF project, the Nias RACBP implemented by the ILO.

Major Achievements

The Grant Agreement for the project was signed in July 2010 and the project is now in the early phase of implementation. The project is being implemented by the Ministry for the Development of Disadvantaged Areas (KPDT). The Nias LEDP and RACBP projects work in the same subdistricts in Nias so that rural communities benefit from the synergy between enhanced rural livelihood opportunities and improved access, thereby increasing access to markets as well as other services and benefits contributing to human and economic development. The two projects share the same national-level steering committee (composed of Bappenas and KPDT) to improve higher-level coordination. At the local level, both coordinate through a joint local steering committee, headed by the Government of North Sumatra with representation of district governments through Bappeda. This close coordination through the national and local steering committees will help maximize synergies and the impact of both programs.

Project activities will support local government and community groups through training and technical assistance. Most of the activities involve training and group facilitation for women's and

agriculture livelihoods' groups and capacity building for local government agencies under the Ministry of Agriculture, with a primary focus on Nias's key agricultural commodities—rice, rubber, and cacao. Livelihoods improvement will be supported through small community support grants and technical support services to these groups.

The project was the last in the MDF portfolio to be approved and thus the time remaining for project implementation is limited by the MDF closing date of December 2012. Conditions in Nias, including remoteness and difficult access to project areas, coupled with a long rainy season, present further challenges. Despite these obstacles, the national and local governments and other MDF stakeholders have expressed their commitment to working together to facilitate the smooth implementation of this important project by the closing date of June 2012.



Nias LEDP and the RACBP will work in the same areas to improve economic opportunities in rural areas of Nias. RACBP will construct roads to improve access to markets for farmers, while LEDP will provide technical assistance to increase their production.

Photo: Shaun Parker/MDF Secretariat

List of Acronyms and Abbreviations

AAA	Action Aid Australia	KPDT	<i>Kementerian Pembangunan Daerah Tertinggal</i> (Ministry for the Development of Disadvantaged Areas)
ACAP	Anticorruption Action Plan	KRRP	<i>Kecamatan-based Reconstruction and Rehabilitation Planning Project</i> (Nias)
ADF	Aceh Development Fund	LAN	<i>Lembaga Administrasi Negara</i> (National Administration Bureau)
AFEP	Aceh Forest and Environment Project	LEDP	Livelihoods and Economic Development Project (Nias)
AGTP	Aceh Government Transformation Programme	LIF	Leuser International Foundation
AMDAL	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment)	M&E	Monitoring and evaluation
BAFMP	Banda Aceh Flood Mitigation Project	MCK	<i>Mandi, cuci, kakus</i> (Public bathing, washing and toilet facilities)
Bappeda	<i>Badan Perencanaan Pembangunan Daerah</i> (Regional Development Planning Agency)	MDF	Multi Donor Fund
Bappenas	<i>Badan Perencanaan Pembangunan Nasional</i> (National Development Planning Agency)	MIS	Management Information System
BKPP	<i>Badan Kepegawaian Pendidikan dan Pelatihan</i> (Provincial Training and Human Resource Agency)	MSW	Municipal Solid Waste
BKRA	<i>Badan Kesenambungan Rekonstruksi Aceh</i> (Aceh Sustainable Reconstruction Agency)	MTR	Mid-Term Review
BKRAN	<i>Badan Kesenambungan Rekonstruksi Aceh dan Nias</i> (Sustainable Reconstruction Agency for Aceh and Nias)	NGO	Nongovernmental Organization
BKRN	<i>Badan Kesenambungan Rekonstruksi Nias</i> (Nias Sustainable Reconstruction Agency)	NITP	Nias Island Transition Programme
BNPB	<i>Badan Nasional Penanggulangan Bencana</i> (National Disaster Alleviation Agency)	O&M	Operations and Maintenance
BPBA	<i>Badan Penanggulangan Bencana Aceh</i> (Aceh Disaster Alleviation Agency)	PACC	Public Awareness Coordinating Committee
BPBD	<i>Badan Penanggulangan Bencana Daerah</i> (Regional Disaster Alleviation Agency)	PDAM	Regional Clean Water Company
BPN	<i>Badan Pertanahan Nasional</i> (National Land Agency)	Pergub	<i>Peraturan Gubernur</i> (Governor's Regulation)
BRR	Aceh-Nias Reconstruction and Rehabilitation Board	PNPM	<i>Program Nasional Pemberdayaan Masyarakat</i> (National Community Empowerment Program)
CBLR ₃	Capacity Building for Local Resource-based Rural Roads	R2C ₃	Rehabilitation and Reconstruction Completion and Continued Coordination
CBO	Community-based Organization	RACBP	Rural Access and Capacity-building Project (Nias)
CCA	Canadian Co-operative Association	RALAS	Reconstruction of Aceh Land Administration System
CDA	Community-driven Adjudication	RAND	Recovery of Aceh-Nias Database
CDD	Community-driven Development	Rekompak	<i>Rehabilitasi dan Rekonstruksi Masyarakat dan Permukiman Berbasis Komunitas</i> (Community-based Settlement Rehabilitation and Reconstruction Project)
CPDA	Consolidating Peaceful Development in Aceh	SDLP	Sea Delivery and Logistics Programme (Aceh)
CSO	Civil Society Organization	SIMBADA	<i>Sistem Informasi Barang dan Aset Daerah</i> (Regional Assets and Equipment Information System)
CSP	Community Settlement Plan	SIPKD	<i>Sistem Informasi Pengelolaan Keuangan Daerah</i> (Regional Financial Management Information System)
CSRC	Civil Society Resource Center	SKPD	<i>Satuan Kerja Perangkat Daerah</i> (Regional Working Unit)
CSRRP	Community-based Settlement Rehabilitation and Reconstruction Project	SME	Small and Medium Enterprises
DFID	Department for International Development (UK)	SPADA	Support for Poor and Disadvantaged Areas
DIPA	State budget execution document	TA	Technical Assistance
DRR	Disaster Risk Reduction	TBSU	Trail Bridge Support Unit (Nepal)
DRR-A	Disaster Risk Reduction-Aceh Project	TDMRC	Tsunami and Disaster Mitigation Research Center
EDFF	Economic Development Financing Facility	TEWS	Tsunami Early Warning System
EGA	Economic Governance in Aceh	TRPRP	Tsunami Recovery Ports Redevelopment Programme
EIA	Environmental Impact Assessment	TRWMP	Tsunami Recovery Waste Management Programme
FFI	Fauna and Flora International	UNDP	United Nations Development Programme
Gol	Government of Indonesia	UPP	Urban Poverty Project
ILO	International Labour Organization	WFP	World Food Programme
IOM	International Organization for Migration		
IREP	Infrastructure Reconstruction Enabling Program		
RFF	Infrastructure Reconstruction Financing Facility		
KDP	<i>Kecamatan</i> Development Program		
KNOW	Knowledge Management Center		

Map of Aceh and Nias





Republic of Indonesia



BRR



European Union



Netherlands



United Kingdom



Canada



World Bank



Sweden



Norway



Denmark



Germany



Belgium



Finland



ADB



United States of America



New Zealand



Ireland

