Aceh-Nias Reconstruction and Rehabilitation: Lessons Learned

Expert Group Meeting
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IMAGINE HALF A MILLION PEOPLE LIVED HERE BEFORE THE 30-FEET HIGH TSUNAMI STRUCK…

…ALMOST EVERYTHING TORN DOWN TO GROUND LEVEL!
UNPRECEDENTED DAMAGE ALONG ACEH-NIAS

**800 km x 1-6 km destroyed!**

**Damage assessment**

- 120,000 Houses destroyed
- 70,000 Houses damaged
- 14 Sea ports
- 120 Bridges
- 3,000 km Roads
- 1,052 Government buildings
- 2,000 School buildings
- 114 Health centers
- 20,000 ha Fish ponds
- 60,000 ha Agriculture land
- 100,000 SMEs
- 167,228 Students lost their schools
- 2,500 Teachers died

**The Setting**

- Earthquake and tsunami:
  - Devastation: > 800km coastline
  - Needed: USD 7.2 bio

- Political Conflict
  - > 25 years

- Local government paralyzed
  - Because of tsunami and conflict
President of RI

Three directives:

1. Cease fire

2. Open Aceh for International humanitarian support
   • Emergency
   • Reconstruction

3. New Agency: BRR
   • Full Authority
   • Clear mission (build back better)
   • Banda Aceh as Head Quarter
   • 4 years
   • No politics

EMERGENCY RELIEF WAS SUCCESSFUL, THANKS TO GREAT SUPPORTS FROM BOTH NATIONAL AND INTERNATIONAL

<table>
<thead>
<tr>
<th>National support</th>
<th>International support</th>
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<tbody>
<tr>
<td>5,465 Volunteers</td>
<td>34 Countries</td>
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<tr>
<td>124 Medical teams</td>
<td>117 Medical teams</td>
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<tr>
<td>11,800 Paramedical personnel</td>
<td>16,000 Personnel</td>
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<td>6,000 Military personnel</td>
<td>1 Floating hospital</td>
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<tr>
<td>493 Heavy equipments</td>
<td>9 Mother ships</td>
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<tr>
<td></td>
<td>14 War ships</td>
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<td>31 Aircrafts</td>
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<td>82 Helicopters</td>
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Biggest military operation in the last 50 years, for non-military purpose
NO DEATH FROM STARVATION OR DISEASE

20,000 units provided by International Federation of Red Cross

TEMPORARY SHELTERS PROVIDED BY IFRC
Establishment of the agency

Law No. 10/2005 on the establishment of BRR and its mandate

Mandate by Law
- To implement rehabilitation and reconstruction projects financed by Govt. of Indonesia
- To coordinate projects financed by donors, NGOs, and other organizations

Presidential decree No. 34/2005 on Organization

President of the Republic of Indonesia

Advisory Board
- Responsible for ensuring aspirations from multi-stakeholders are taken into account in the process of rehabilitation and reconstruction

Executing Agency
- Responsible for managing rehabilitation and reconstruction efforts in the post-disaster areas

Supervisory Board
- Responsible for ensuring the rehabilitation and reconstruction efforts are undertaken effectively and according to the needs of beneficiaries.

Foundations of BRR’s Operational Role

Key Principles of BRR

Towards Community
- Community-driven
- Equal participation by all parts of the community
- Proactive leadership and communication for all stakeholders
- Environmental sustainability

Internal Discipline
- Zero tolerance towards corruption
- Maximum transparency
- Highest ethical standards
- BRR exclusively merit based, “aggressively non-political”

Towards Donors
BRR is enabling and facilitating stakeholder activities as well as partnership
BRR Executing Agency Structure

- President
  Republic of Indonesia
- Director (Minister)
  Kuntoro Mangkusubroto
- Vice Director
  Governor of Aceh

**Deputy for Supervisory**

**Secretary General**

**Deputy for Finance and Planning**

**Deputy for Supervisory**
- Deputy for Religion, Social and Culture
- Deputy for Economy and Business
- Deputy for Housing and settlement
- Deputy for Operations
- Deputy for Education, Health, and Woman Empowerment
- Deputy for Infrastructure, Environment and Maintenance
- Deputy for Institution & Human Resources Development
- Deputy for Operations
- Deputy for Education, Health, and Woman Empowerment

**Head of Region**
- Head of Region I
- Head of Region II
- Head of Region III
- Head of Region IV
- Head of Region V
- Head of Region VI (Nias)

Regionalization of BRR

Coordination through “Regionalisation” where authority was dispersed and coordinators are on the ground

Area 1
- Sabang
- Banda Aceh

Area 2
- Aceh Besar
- Aceh Jaya

Area 3
- Aceh Tamiang
- Aceh Tengah

Area 4
- Aceh Timur
- Aceh Barat

Area 5
- Nias

Simeulue

Aceh Tenggara
FOCUS OF BRR RECONSTRUCTION ACTIVITY WILL SHIFT OVER 2005-2009

Infrastructure Development
Housing Development
Institutional Development & Social Development

International Funding Mechanism

MULTILATERAL
BILATERAL

grant
loan

GRANT/LOAN AGREEMENT
DIRECT EXECUTION

ON BUDGET
OFF BUDGET

REHABILITATION & RECONSTRUCTION
Funding Structure

Total commitment 100% = USD 6.7 Billion

- Govt of Indonesia 37%
- Bilateral & Multilateral donor 36%
- NGO 27%

Examples
- Calang-Meulaboh road
  Japan
- Hospital in Calang
  Spain
- Malahayati seaport
  Netherlands
- Housing in Aceh Besar
  Canada

Overall Funding Status

Total Fund USD Billion

- Damage assessment 4.9
- Build back 7.1
- Pledged 7.2
- Committed 6.7

93%
It was a challenge to coordinate all stakeholders

Donors & Implementers

Geographical Areas

Projects

• Coordination:
  > 900 NGOs, donor, multilateral bilateral
  > 7.000 foreign humanitarian worker
  > 8.000 domestic worker
• Corruption ➔ USD 7.2 billion flow of funds
• Redtape

TOTAL OF ~12,500 PROJECTS INVOLVED IN A YEAR
INTEGRITY IS UPHELD AT THE UTMOST AS THE FOUNDATION OF TRUST FROM ALL STAKEHOLDERS

- **BRR Integrity Pact**
  - BRR applies the integrity pact to all staffs, not only procurement related ones, and all its projects

- **Anti-corruption unit (SAK)**
  - BRR is the first government agency to have an autonomous and independent anti-corruption unit

- **Internal Supervisory**
  - BRR is the only government agency conducting 100% audit census (non-sampling)
  - 100% compliance of LHKPN

- **Corruption Eradication Commission (KPK) office**
  - At BRR request, KPK established its first representative office outside Jakarta in Banda Aceh

- **KPPN-K (treasury)**
  - BRR is the only government agency in Indonesian history to have a dedicated KPPN (national treasury) representative office

- **Supervisory Board and Advisory Boards**
  - BRR ensures its effectiveness through the existence of autonomous Supervisory and Advisory Boards

ASSETS MANAGEMENT IS DONE FULLY ACCOUNTABLY WITH GEOGRAPHIC INFORMATION SYSTEM

FROM THE CONVENTIONAL ASSET INVENTORY SYSTEM... ...TO A HIGHLY ACCURATE GEOGRAPHIC INFORMATION SYSTEM!

GPS coordinate
BRR USES RECOVERY ACEH-NIAS DATABASE (RANdatabase) TO COORDINATE OFF-BUDGET PROJECTS

RECONSTRUCTION STARTED IN MID-2005 WITH COMMUNITIES PARTICIPATE IN THE OVERALL EFFORT...
COMMUNITIES DECIDE IF THEIR AREA WILL BE REBUILT WITH NEW LAND CONSOLIDATION OR KEPT AS IT WAS

Houses built 6 months later, but eventually the property market value reaches 2-3 times higher.
STAGES OF DISASTER MANAGEMENT AND THEIR SOCIOLOGICAL DYNAMICS

2005 Q1 2005 Q2 Mid-2005 - 2009 2009 - onwards

**Survivors**
- Were shocked, sad, confused, angry
- Were hopeful, sensitive, impatient
- Some participated in recovery
- Were impatient
- Are back to normal
- Practice disaster risk reduction

**Organization**
- Did anything to help
- Considered speed more important than administration
- Quickly helped
- Put more attention to administration
- Tried to adapt to the immense challenges
- Later became more normal ~ bureaucratic
- Are back to normal
- Capitalize lessons learned

**General public**
- Showed sympathy
- Poured mass donation
- Still showed sympathy
- Started to forget what happened
- Back to normal
Lessons Learned (1 of 2)

- Single agency to lead or coordinate with full authority
- Reform regulatory framework to permit effective management and swift implementation
- Differentiation of relief and reconstruction and the shifting focus of works
- Breakthrough initiatives have to be welcomed
- Top-down planning needs to accommodate rapid response to changing needs on the ground

Lessons Learned (2 of 2)

- Three pillars in post-disaster financial management- speed, flexibility and accountability
- Establish a government-driven Multi Donor Fund
- Market-based management of off-budget project financing allows space to maximize each organization’s capability
- Project approval process that allows for fund matching & tracking, monitoring and evaluation, and identifying gaps
- Community participation is critical
ACEH BESAR – Pre-disaster, post-disaster, to early 2007

A CLOSER LOOK AT ONE OF THE JUNCTIONS
BARRACK AND RELOCATION COMPLEX
(Another 859 HH will soon get their houses)

BRIDGES ALL OVER NIAS
GUNUNG SITOLI HOSPITAL

"JAPAN ROAD": REHABILITATED ROAD FROM CALANG TO MEULABOH
GRAND HARVEST

SME TRAINING PROGRAM
THANK YOU