

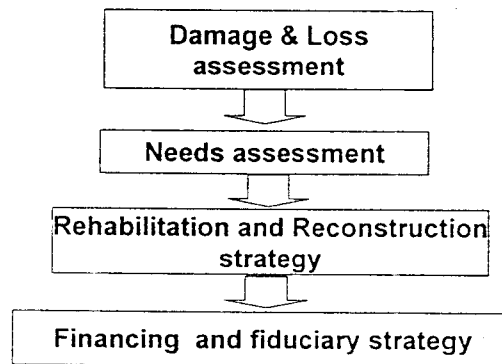


Republic of Indonesia
State Ministry of National Development Planning/BAPPENAS

Dealing with the consequences of the disaster Needs Assessment and Recovery Strategy for Aceh and North Sumatra

January 19, 2005

Agenda/Structure of the Presentation



The Situation

- The earthquake and tsunami on December 26th, 2004 destroyed large parts of Banda Aceh, Meulaboh, the coast of Aceh Besar, Aceh Jaya, Nagan Raya, Simeuleue, Aceh Utara, and Aceh Timur along with 8 regions in Nias and North Sumatera

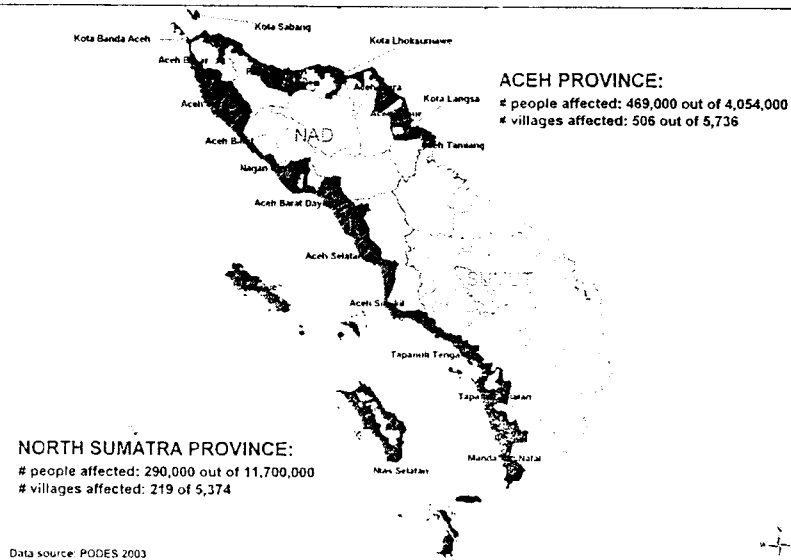
- **Losses**

- 90,000 dead
- 132,000 missing
- 394,000 homeless

Sources: BAKORNAS (January 18)

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Coastal Area in Aceh & N Sumatera Provinces (Areas Affected)



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Relief and Recovery Management

- The Vice President as head of BAKORNAS directs relief operations. Emergency coordination including domestic and foreign funds is done at the BAKORNAS secretariat set up at the Coordinating Ministry for Social Affairs.
- Significant assistance was received from the international community including IOM, WFP, UNOCHA, United States, New Zealand, Australia, Japan, Singapore, Malaysia and others (including the militaries of a number of these countries).
- The President assigned Bappenas to develop/coordinate a Rehabilitation and Reconstruction Plan
- The people of Aceh are to be at the center of any recovery efforts

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Damage and Loss Assessment

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Carrying out the Damage and Loss Assessment

- A joint **BAPPENAS/Donor Team** working in close cooperation with the line ministries led the effort
- **International standard methodology** was used. World renown damage assessment specialists.
- **Sector by sector analysis** covering
 - **Stock:** The extent of damage to public and private infrastructure; and
 - **Flow:** Lost income from the property damaged and destroyed
- The assessment covers **replacement costs – not reconstruction needs**
- **Sources of information:**
 - Detailed Baseline data disaggregated at sub-district level (SUSENAS)
 - Line ministries and their structures on the ground
 - Satellite images
 - Field visits

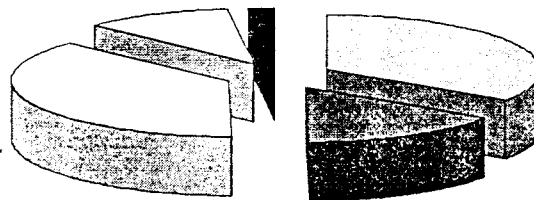
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Total losses amount to 4.5 billion USD)

This represents:

2.3% of National GDP and 97% of Aceh's GDP

Sectoral breakdown



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Summary of Damage and Losses (in Billions of USD)

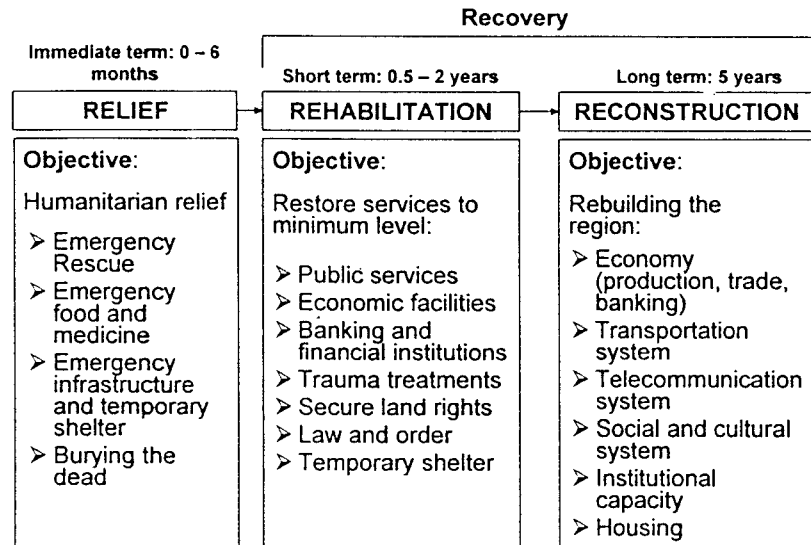
	Damage	Losses	Total
<u>Social Sectors</u>	1,684	57	1,741
Housing	1,398	39	1,437
Education	119	9	128
Health	82	9	92
Religious and culture	83	0	83
<u>Infrastructure</u>	636	241	877
Transport	391	145	536
Communcations	19	3	22
Energy	68	0	68
Water and Sanitation	27	3	30
Flood control	132	89	221
<u>Productive Sectors</u>	352	830	1,182
Agriculture	84	141	225
Fisheries	102	409	511
Industry and Trade	167	280	447
<u>Cross-Sectoral</u>	252	400	652
Environment	155	394	549
Governance and Admin.	84	5	89
Bank and Finance	14	0	14
Emergency Expenditures	0	0	0
TOTAL	2,924	1,528	4,452

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Rehabilitation and Reconstruction Strategy

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Phases in Management Strategy



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Core Principles

- People centered and participatory (empower people of Aceh)
- Comprehensive (based on spatial plan)
- Coordinated (sectors and regions)
- Clear strategy with different phases
- Rebuilding institutions (capacity building)
- Fiscal transparency and effective monitoring

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Themes and Challenges

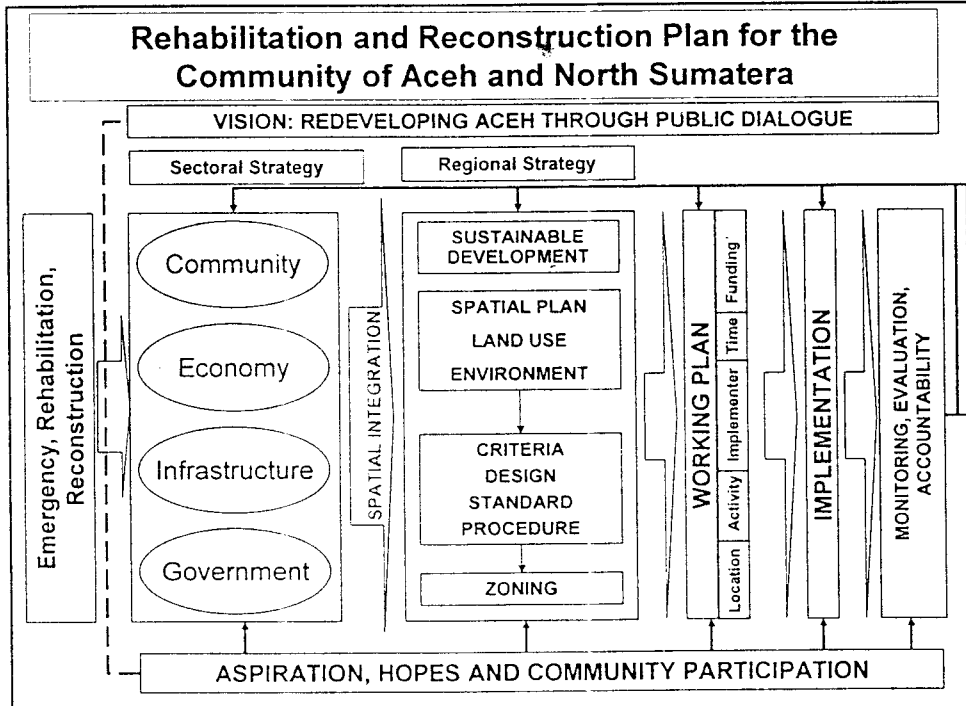
■ Themes

- Restoring People's Lives and Livelihoods
- Restoring the Economy
- Restoring Infrastructure
- Restoring Government and Civic Institutions

■ Challenges

- Quick action versus broad participation
- Fostering local implementation
- Bringing worldwide support for the people of Aceh into the budgetary process
- Building reconciliation

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Restoring Lives and Livelihoods

- **Begin labor intensive public works (clean-up) quickly.**
- **Provide the opportunity for families to rebuild their own homes. (with design standards and building codes)**
- **Support families and communities where displaced people have taken refuge.**
- **Provide transparent compensation --Compensation strategies (from budget resources) need careful consideration and design, but past experience shows that this is the area of greatest difficulty (legal disputes)**
- **Focus on land offices and dispute resolution procedures (including institution and staffing).**

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Restoring the Economy

- **Emphasize labor intensive infrastructure investment and purchase and hire locally.**
- **Recapitalize household enterprises with grants rather than loans.**
- **Move quickly to reestablish banking services (including proof of identity procedures).**
- **Minimize local and international trade restrictions to minimize price hikes.**
- **Reestablish retail/wholesale markets including information centers**

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Restoring Infrastructure

- **Rebuild roads and bridges**
 - Strategic roads and bridges need to be rehabilitated quickly
 - During reconstruction some roads will need to be realigned
- **Rebuild ports (air and sea)**
 - Air port damage limited
 - Restore the function of strategic ports
- **Repair electric and telecommunications infrastructure**
 - Damage is limited, Telcom and PLN are preparing implementation plans
- **Restore clean water**
 - Temporary measures need to be taken
 - Wells desalinated
 - Systems reestablished

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Restoring Government and Civic Institutions

- **Rebuild local administrations (including the police) and restore functional responsibility as quickly as possible.**
- **Strengthen administrative arrangements and ensure transparency (governance)**
- **Establish systems to ensure delivery of public services to the vulnerable (orphans, handicapped, widows)**
- **Support and facilitate the redesigning of cities and places of economic activity (including with private partners)**

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Managing the Recovery

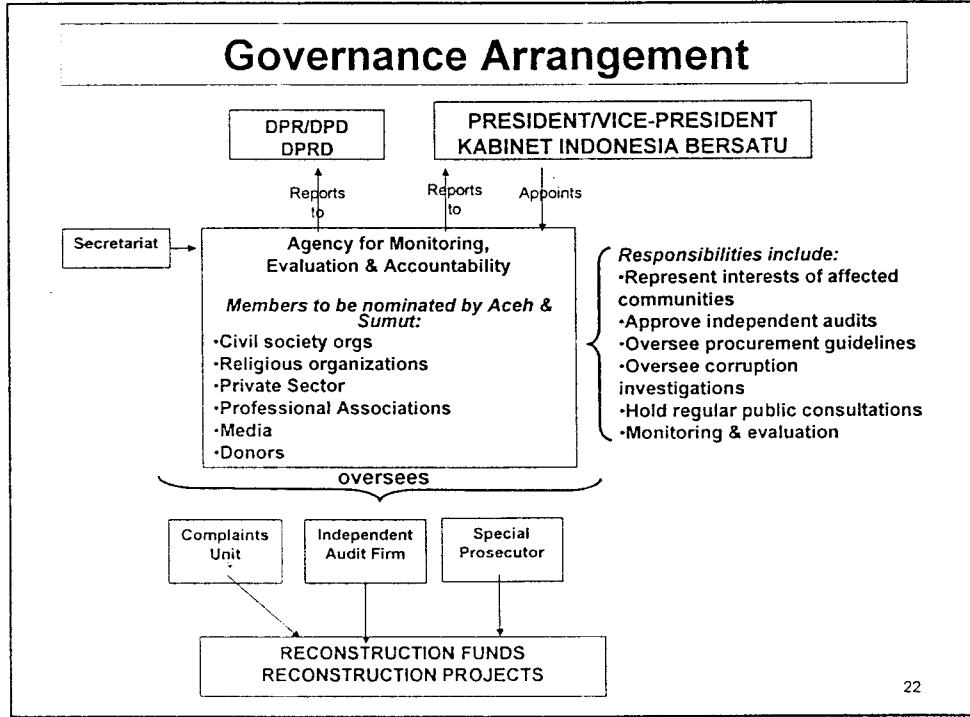
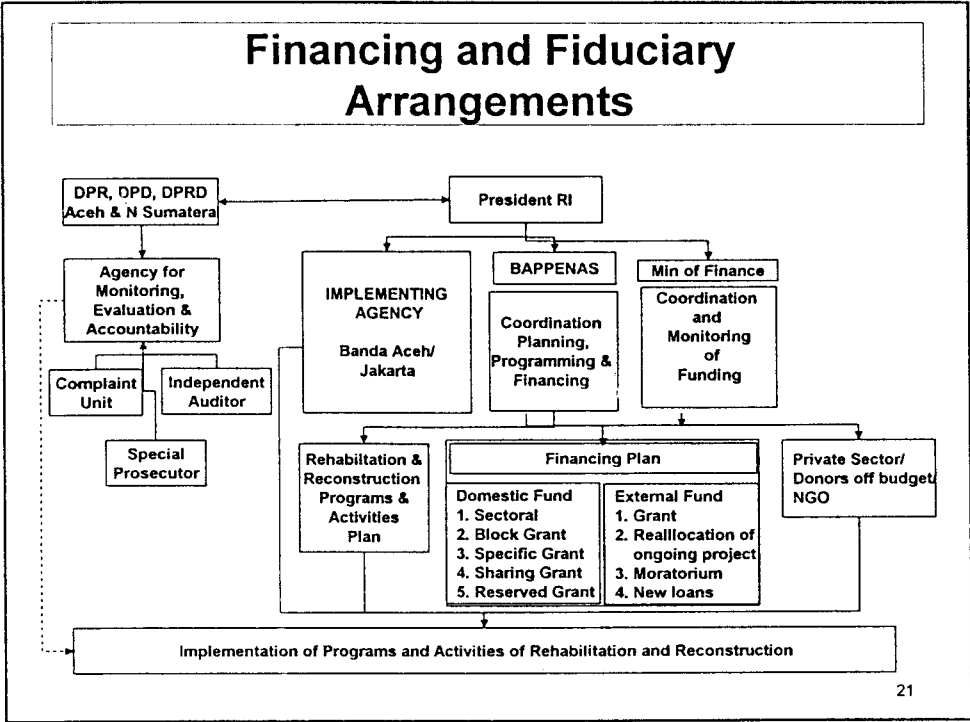
- General Principles
- Financing & Fiduciary Arrangements
- Governance Arrangement
- Donor Finance Options

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General Principles

- Maximize the use of on budget financing
- Develop effective governance structures
- Phase out central government support as regional governments recover capacity
- Maximize grant financing, then soft loans. Debt moratorium is needed depending on fiscal and BOP needs.

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Donor Finance Options

- Bilateral support on or off budget
- Cofinancing multi-lateral programs
- Pooling donor resources
 - For funding specific projects
 - Programmatic grants

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NEXT STEPS

- Set up office for coordination and implementation in Banda Aceh
- Intensify the participatory process for needs assessment
- Complete needs assessment and develop reconstruction strategy
- Establish management, governance structures and consolidate on going government activities
- Agree with donors on financing options

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Thank you for your support.

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