More than 1,500 people visited the MDF display at CFAN4. About 1,000 of those took part in the “How much do you know about the MDF?” quiz.

Photo: MDF Secretariat

“Participating in high profile events further draws attention to the work that the MDF is doing.”
The Multi Donor Fund for Aceh and Nias pools about US $ 685 million in grant resources provided by 15 donors to support implementation of the government’s rehabilitation and reconstruction program after the December 2004 earthquake and tsunami and subsequent March 2005 earthquake. At the request of the Government of Indonesia (GOI), the World Bank serves as the trustee to administer the MDF which is in turn governed by a Steering Committee comprised of donors, GOI, and civil society representatives, with the United Nations and international nongovernmental organizations participating as observers. The 15 donors contributing to the MDF are: the European Commission, the Netherlands, the United Kingdom, Canada, the World Bank, Sweden, Norway, Denmark, Germany, Belgium, Finland, the Asian Development Bank, the United States of America, New Zealand and Ireland.

The overall goal of the MDF is to contribute efficiently and effectively to the reconstruction of a “better” Aceh and Nias following the earthquakes and tsunami. Therefore the projects not only reconstruct infrastructure and rehabilitate the economy in accordance with GOI’s Master Plan, but also address social concerns such as reducing poverty, improving livelihoods, and increasing gender equity.

Five years after the tsunami and earthquake, the overall recovery and reconstruction of Aceh and Nias can claim remarkable achievements. In line with the Paris Declaration on Aid Effectiveness and the OECD-DAC Principles for Good International Engagement in Fragile States and Situations, the MDF is evidence of good practice as a post-crisis funding mechanism, harmonizing donor efforts and increasing the effectiveness and efficiency of the reconstruction effort.

MDF Operations in the Changing Reconstruction Context

The Multi Donor Fund for Aceh and Nias aims to efficiently and effectively support the Government of Indonesia’s Master Plan for the reconstruction efforts. The Agency for the Reconstruction and Rehabilitation of NAD-Nias (BRR) supported the MDF to coordinate the reconstruction until BRR closed in April 2009. Now with BAPPENAS as the lead coordinating agency at the central level, the MDF continues to work closely with the provincial governments of Aceh and North Sumatra (Nias) in the reconstruction process.

BRR’s achievements were celebrated as their mandate came to an end in April 2009. BRR prepared a report marking the MDF’s successes and noting areas it could improve its effectiveness in the reconstruction process. The achievements of the reconstruction were also showcased at the final Coordination Forum for Aceh and Nias (CFAN4) which was held in February 2009. The MDF paid tribute to BRR at the final MDF Steering Committee meeting with

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2 The Paris Declaration on Aid Effectiveness of 2005 commits all signatories to achieving aid effectiveness through the principles of (i) national ownership; (ii) alignment; (iii) harmonization; (iv) managing for results; and (v) mutual accountability. Indonesia has endorsed the Paris Declaration together with 117 other partner countries and international organizations, who have committed to follow these principles.

3 The OECD Development Assistance Committee (DAC) endorsed a set of Principles for Good International Engagement in Fragile States and Situations in 2007 that aim to complement and inform the commitments set out in the 2005 Paris Declaration on Aid Effectiveness which also notes the need to adapt and apply aid effectiveness principles to differing country situations, particularly fragile states.
BRR as co-chair, which was held in April. At the meeting, the BRR presented an overview of the reconstruction process and achievements, and noted the pivotal role that the MDF played as partner to BRR. The BRR also published a book series, funded by the MDF, which comprehensively documents the overall reconstruction efforts in Aceh and Nias.

The closure of BRR posed a number of institutional and operational challenges for the MDF, and these have been addressed. The overall coordination of the recovery process has been passed on from BRR to BAPPENAS, including the role as co-chair of the MDF’s Steering Committee. Within the MDF, BAPPENAS now plays the critical role of endorsing proposals for the allocation of remaining funds. Revised operational procedures reflecting these new arrangements and lessons learned have been endorsed by the Steering Committee.

Eleven projects in the MDF portfolio were affected by the transition process from BRR to other GOI entities and all legal agreements have been changed to reflect the new partnership arrangements. Measures were successfully put in place to ensure the transfer of implementation roles from BRR to line ministries. Four MDF infrastructure projects were co-financed by BRR.

The MDF has provided support to new partners, including the governments of Aceh and Nias, during the transition following the closure of BRR. As the reconstruction and rehabilitation phase has come to an end with BRR’s exit, funding and implementation procedures have reverted to regular government processes. The Coordinating Body for the Sustainability of Reconstruction in Aceh and Nias (BKRA at National level; BKRA at Aceh Provincial level and BKRN covering Nias at the North Sumatra Provincial level) was set up through Presidential Decree 3/2009 to support continuing implementation of the reconstruction efforts until December 31, 2009. The MDF provides targeted support, prioritizing resources and capacities to help these institutions to take on their new roles. The MDF works closely with these entities to facilitate the timely and smooth implementation of the portfolio.

The MDF partners with BAPPENAS to ensure implementation of quality projects aligned with the reconstruction goals for Aceh and Nias. The MDF is in the final stages of project selection and funding commitment; approximately 7% of the total funds remain uncommitted. The process for allocating remaining funds is now being driven by BAPPENAS in line with its coordination role, in close consultation with the Governments of Aceh and North Sumatra. The MDF project review and approval process continues as BAPPENAS provides endorsements for new projects to the MDF Secretariat for Steering Committee approval. Requests for additional funds for existing projects are now being received so it is expected that the majority of remaining funds would be allocated in the near future. The MDF remains committed to channeling funds for projects through the government budget, where possible. Donors are kept abreast of developments at project and portfolio levels through various Technical Review Group meetings and Steering Committee meetings.

MDF operations are guided by the Multi Donor Fund’s Recovery Assistance Policy (RAP). The RAP defines both the priority sectors as well as the approach for funding for the MDF. It also outlines a range of quality issues and cross-cutting themes that should be considered in MDF projects, such as environmental sustainability, gender equity, and poverty alleviation. Other cross-cutting issues include conflict sensitivity and ensuring a geographic balance in delivering reconstruction assistance.

The Mid Term Review (MTR) of the MDF found that the MDF is highly relevant and performing well. The MTR was commissioned to assess the performance of the MDF at the project, portfolio and operational level. A Social Sustainability Review and an Environmental Sustainability Review were undertaken separately; these reviews
provided input into the overall MTR. The review teams’ findings and recommendations were presented to the Steering Committee on November 16, 2009. The review concluded that the MDF as a mechanism for post-disaster reconstruction is a success, with many opportunities to contribute lessons learned to future post-disaster trust funds. The MDF has already begun to follow up on many of the MTR recommendations, and will develop an action plan for following up on the remaining recommendations through a consultative process.

Providing Effective Coordination, Communications and Outreach

Coordinating with key stakeholders in the reconstruction and rehabilitation process ensures that the MDF offers a relevant response to the needs of the people of Aceh and Nias. Through a consultative process involving various stakeholders, the MDF supports government priorities and fills gaps in the overall reconstruction. The MDF plays an important coordination role in bringing together key players from various levels of government, donors, and civil society in this process. This coordination role for the MDF has increased with the closure of BRR.

Consultants and project teams inspect the quality of works at the Lhokseumawe drainage project during a supervision mission.

Photo: MDF Secretariat
Participating in high profile events further draws attention to the work that the MDF is doing in the reconstruction and rehabilitation process. The MDF displayed its activities at the CFAN4 event, which served as a venue for hosting all MDF stakeholders, including donors and government officials. The display was visited by more than 1,500 people. The MDF also hosted a series of documentary film screenings at the event. Photograph exhibitions were held in Jakarta and Aceh, and the MDF took part in the Aceh International Expo – Cultural Week which served as a further platform to highlight portfolio activities.

The MDF’s outreach efforts raise awareness of project activities. The MDF uses a multi-faceted outreach approach aimed at increasing the public and beneficiaries’ awareness and understanding of MDF-funded activities. Live radio broadcasts and regular media briefings ensure that information reaches wide-spread audiences. A website provides details on projects and MDF governance at www.multidonorfund.org. The MDF Secretariat also plays a key role in facilitating visits to the projects by donors and delegates from various agencies, enabling the visitors to gain firsthand experience of project activities and meet with beneficiaries and project teams.

The MDF portfolio is enhanced by effectively managing and responding to feedback. All projects in the MDF portfolio are required to implement an Anti Corruption Action Plan (ACAP). The MDF also provides a hotline, monitored by the MDF Secretariat, through which queries, complaints and comments can be submitted. All issues raised are handled at project level, following up directly with the communities and the complainants.

An infrastructure project team discusses progress and challenges of road construction during a supervision mission in Aceh.

Photo: MDF Secretariat
Working Together for a Safer and Cleaner Banda Aceh

Parts of low-lying areas of post-tsunami Banda Aceh have become less prone to flood, thanks to the MDF-funded renovated drainage and pumping system coupled with a concerted effort to reduce the buildup of garbage in the city’s drainage systems.

“After the tsunami, the battered old drainage system meant our neighborhoods got easily flooded during heavy rains,” says Kartini, the city’s only female pump operator who runs one of the city’s eight pump stations. “Thank God, with all the new facilities in place, we’ve seen less flooding.”

Three of the pump stations were rehabilitated by the NGO Muslim Aid under MDF’s Banda Aceh Flood Mitigation Programme, which also developed a 16-kilometer drainage system and dozens of flood valves across three sub-districts in the city’s Zone II.

Of the training on pump house operations and maintenance she and fellow operators received through the program Kartini says, “I have learned a lot... it really helps boost my confidence.”

However, she warns that the modern flood control facilities will be useless if the city’s garbage problems are not fixed. “The most recent flooding occurred mostly because the sluice gates and valves were clogged up with garbage.”

Thus the flood mitigation project has also addressed the issue of waste management. “Communities are encouraged to manage trash collection and disposal and learn about waste recycling and composting,” says Muslim Aid Project Manager Saliza Mohamadar. “The municipality’s sanitation department has been equipped with 18 motorized three-wheel garbage collecting vehicles to collect trash in areas unreachable by larger garbage trucks,” she adds.

Trash collection efforts in Zone II link up with a larger waste management system under another project funded by the MDF: the Tsunami Recovery Waste Management Programme. This program has built multiple sanitary dumpsites for waste in areas across Aceh, such as the Gampong Jawa landfill and recycling plant in Banda Aceh. To reduce the amount of city trash disposed of in these dumpsites, hundreds of garbage collectors, or pemulung, were taught to collect and sort plastic waste by Palapa Plastic Recycling (PPR), an organization that works with the waste management program.

Executed by the UNDP, the waste management program initially focused on clearing tsunami debris while creating short-term employment. Now it has evolved into a vehicle for both environmental improvement and local enterprise in the communities, creating livelihood opportunities through more efficient waste management. Over two hundred pemulung in Banda Aceh and Aceh Besar have increased their incomes by up to 70% by selling the sorted plastic waste at better prices to PPR, according to Pak Daardaak, the coordinator of the PPR recycling site near Banda Aceh’s main dump site in Gampong Jawa.

At the PPR recycling site, the sorted plastic waste is cleaned and processed by 10 laborers. Among them is Nurhasanah, a single mom of two teenagers who was a pemulung before joining PPR last year to work as a sorter and cleaner, earning between IDR 30,000 and IDR 50,000 a day. “Sometimes I earn less when plastic prices drop or there’s only a little waste to process, but at least I can bring food to the table,” she says.

The PPR’s Gampong Jawa site produces at least 700 kilograms of plastic chips a day – a significant amount of plastic that is no longer clogging drains or filling dumpsites. All of these efforts at managing Banda Aceh’s solid waste are having an impact. In June 2009 the President of Indonesia presented the Mayor of Banda Aceh with the 2009 National Adipura Clean City Award.

Plastic waste is collected and sorted at a recycling plant near the Gampong Jawa landfill in Banda Aceh. The recycling plant provides employment to Ibu Nurhasanah and others as well as reducing the volume of solid waste going into Banda Aceh’s landfill. The MDF’s Tsunami Recovery Waste Management Programme (TRWMP) assisted in the establishment of the PPR recycling plant.

Photo: Christiani Tumelap

Ibu Kartini explains the operation of one of the city of Banda Aceh’s pump stations, built through the Banda Aceh Flood Mitigation Project (BAFMP), implemented by the NGO Muslim Aid.

Photo: Christiani Tumelap