

Building the new Aceh

The following is a framework for the recovery and reconstruction of tsunami-hit Aceh and North Sumatra in Indonesia

On 26 December 2004, an earthquake and tsunami—the world’s worst natural disaster in living memory—struck the Indian Ocean region, killing more than 150,000 people, making almost a million homeless, and sending a wave of shock, an outpouring of sympathy and offers of assistance from across the globe. Indonesia bore the worst brunt of the disaster, concentrated in the provinces of Aceh and North Sumatra. With more than 115,000 people dead and 20 per cent of the Acehnese population homeless, no family in the region is untouched by the disaster. Hundreds of communities have been washed away. Local governments have collapsed. In many cities and villages, the tsunami painted a line of destruction across the landscape. On one side of the line, nearly all the infrastructure must be rebuilt or rehabilitated. But the wounds on the other side are devastating as well, as the people of Aceh and North Sumatra have been severely traumatized by the scale of the tragedy. Rebuilding the region will require far more than rebuilding roads and bridges; it will entail reviving lives and livelihoods and resurrecting entire communities.

The first priority has been to provide immediate humanitarian relief to ease the suffering of those who survived and restore their basic needs. But as needs shift from immediate relief to longer term recovery, a coherent, credible and comprehensive strategy is needed that addresses the considerable challenges raised by the scale and scope of the disaster.

This report provides recommendations based on international experience for the development of a reconstruction strategy for Aceh and North Sumatra. It offers a set of broad lessons and principles for

designing and managing the reconstruction efforts. It also brings together a series of sectoral notes that make recommendations on core principles, areas of short- and medium-term interventions, and examples on how to carry them out. But this is only a first step in building a credible and effective strategy which will require the full participation of the people from the affected communities. Only these people, who have suffered so much, can define their needs and determine the priorities for rebuilding their communities.

Indonesia’s leaders have already expressed a broad vision for a National Recovery and Reconstruction Strategy. The six key principles outlined by the government include: a people-centered and participative process, where the administration listens to and understands the feelings and aspirations of the people; a holistic approach to rebuilding based on a comprehensive strategy; effective co-ordination for consistency and effectiveness among sectoral and regional programmes at national and local levels; drawing a distinction between rehabilitation—achieving minimum standards—and reconstruction, with a clear strategy for each; focusing on services and institutions rather than projects; and incorporating fiscal transparency and effective monitoring into the rehabilitation and reconstruction programmes.

Recovery costs

The recovery plan needs to be effective in co-ordinating the stakeholders of the recovery process. Given the scale and scope of the disaster, recovery and reconstruction efforts will involve nearly all of the key ministries and State agencies, working across all levels of

Ninety days on...

It is now 90 days since the devastating Indian Ocean tsunami of 26 December 2004, which lasted barely 30 minutes but killed at least 182,000 people in 11 countries in the Indian Ocean as far apart as Indonesia and Somalia. (In all, 15 countries were affected, namely, Bangladesh, India, Indonesia, Kenya, Madagascar, Malaysia, Maldives, Myanmar, Seychelles, Somalia, South Africa, Sri Lanka, Tanzania, Thailand and Yemen.)

Another 130,000 people are still missing and are presumed dead. Seventy-eight per cent of the dead and missing are from the Aceh province of Indonesia, which was close to the epicentre of the earthquake. In human terms, the tsunami was one of the worst natural disasters on record.

Close to a million people were also rendered homeless in Indonesia and Sri Lanka. While Indonesia lost the largest number of people, Maldives had the heaviest economic loss. In the Indian Ocean region, Sri Lanka accounted for the largest number of deaths of those from the fishing community—about 20,000, mostly in the northeast.

In India, 10,779 people were killed and 5,600 people are still missing, presumably dead, thus making it the worst human tragedy the country has seen in recent times, even far worse—in terms of deaths — than the 1999 Orissa

“super” cyclone and the 2001 Gujarat earthquake. Almost all deaths occurred to people living on the shore. A significant percentage of the dead were women and children. In Karikal, Pondicherry, for example, of the 470 people who lost their lives, nearly half were children below 16 years, and 34 per cent were women.

The economic impact of the tsunami has been particularly severe on the island economies of Maldives and Sri Lanka and, according to World Bank/Asian Development Bank (ADB)/United Nations Development Programme (UNDP) reports, their reconstruction costs will be the highest. The losses amount to US\$4.8 bn for Maldives, US\$4.5 bn for Indonesia, US\$2.2 bn for India and US\$1 bn each for Sri Lanka and Thailand. Thus, the total economic loss to the Indian Ocean region from the tsunami exceeds US\$13.5 bn.

The reconstruction costs for Maldives are expected to be equivalent to two years’ of the country’s gross domestic product (GDP), and for Sri Lanka, about 4.4 per cent of the GDP.

For bigger economies such as Indonesia, India and Thailand, however, the reconstruction cost, as a percentage of GDP, is negligible. It is expected to take years before normal life can be resumed in the coastal areas of all these countries.

government—central, provincial, *kabupaten*, *kecamatan* and *desa*. Moreover, the unprecedented outpouring of domestic and international support for the reconstruction phase has brought literally hundreds of local and international non-governmental organizations (NGOs), private sector actors, official donor agencies, and multilateral institutions to the affected regions and Jakarta to provide generous assistance, often on the basis of their own internal standards and guidelines. The challenge will be to translate these resources into results on the ground and to co-ordinate this multitude of actors around a common vision for the recovery of the people in Aceh and North Sumatra.

The reconstruction of the tsunami-affected areas will take place in a challenging environment. First, the

disaster struck an area of Indonesia already affected by ongoing conflict. To help foster a sustainable peace, the recovery programme can contribute through explicit efforts to improve governance and avoid replanting the seeds which helped to generate conflict. A conflict-sensitive approach will need to pay particular attention to equitable targeting of geographical areas and beneficiaries, the composition of reconstituted administrative and co-ordinating structures, and transparency in decision-making and financial flows.

Scale of loss

Second, the scale of human losses and population displacement has radically affected the composition of communities in many locations. Rebuilding local infrastructure in the most severely

According to the UN Office for the Co-ordination of Humanitarian Affairs (OCHA), as of 24 March 2005, US\$6.41 bn has been pledged for tsunami relief and rehabilitation by 92 member States of the UN and private agencies such as Oxfam and Medicins sans Frontiers. However, OCHA says that only US\$0.83 bn has been paid up so far.

The UN also issued a flash appeal for funds to the tune of US\$1 bn, of which 84 per cent has so far been raised. The countries that have pledged aid also include poor countries like Bangladesh, Timor, Nepal and Mali. However, in an interview with the BBC on 17 March 2005, Laxman Kadirgamar, Sri Lanka's Foreign Minister, said, "Not a penny has come through yet. We are doing the relief work with our government's money. Sri Lanka is still waiting for the money pledged by the donors." There is still a shortfall of nearly US\$6 bn in the total amount promised for rebuilding the affected countries.

While in Sri Lanka, India and Indonesia, the fishing industry was worst hit, the tourism industry was the worst affected in countries like Thailand and Maldives. However, the tourism industry losses were somewhat mitigated by insurance cover. The entire fishers' population of Maldives — about 15,000 — was affected by the tsunami. The largest number of fishermen victims in the Indian Ocean region was reported in India (about 170,000), followed by Sri Lanka (150,000) and Indonesia (130,000).

According to a joint ADB/World Bank/UNDP report, 65 per cent of the fishing fleet of Sri Lanka was destroyed by the tsunami. The estimated cost of replacement and repair is US\$76 mn. In India, though losses to the fishing industry were high in the affected regions, they were low at the national level. A recent World Bank study estimates the losses to the Indian fishing industry to be US\$230 mn.

The fishing industry in the Maldives contributes to over 9 per cent of the country's GDP, among the highest percentage share in the world. The losses to the fishing industry as a result of the tsunami are estimated to be US\$25 mn. Except in India, in all the affected countries, damage and losses to housing exceed those to the fishing industry.

Maldives seems to be the only country that has employed an economic instrument to help the fishing industry in the aftermath of the tsunami. According to the World Bank assessment report, the Ministry of Fisheries, Agriculture and Marine Resources (MFAMR) and the Maldives Industrial Fishers' Company (MIFCO) agreed to raise the purchase price of pole-and-line skipjack tuna in all fishery zones of the country. As a result, the fish production in the hardest-hit central atolls showed a significant immediate recovery.

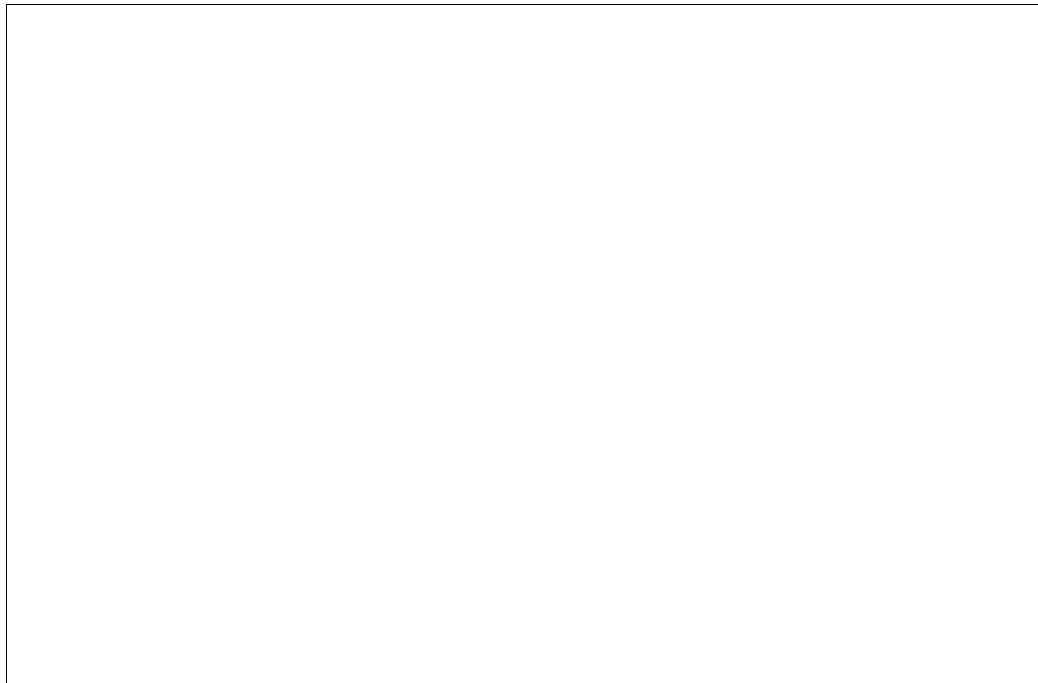
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affected areas will need to await a process of consultation with remaining community members on the timing and choice of destination for their return and reintegration. Land disputes may be a risk in some areas. Many communities have been widely dispersed in the aftermath of the disaster, and local leadership may have been lost—complicating the consultation process. Even in the areas which were not directly affected, the composition of some communities has been radically altered by the influx of internally displaced persons, not all of whom will necessarily choose to return to their communities of origin. These changes to community composition, identities and structures have the potential to cause social tensions unless they are sensitively managed, and sufficient time is allowed for careful consultation with communities.

Third, the provincial recovery process will take place in the context of a relatively new decentralization process. Due to the virtual collapse of the provincial administration and several district and local administration structures, it will be difficult in the short term for provincial institutions to fully contribute to the recovery effort. This will require over time a strong and rapid programme of capacity building to the provincial administration and district and local governments in the affected areas. NGOs and donor agencies need to avoid undermining local institution-building by paying high salaries to local staff or bypassing government co-ordination and decision-making mechanisms.

Unprecedented

Fourth, the unprecedented outpouring of generosity from private citizens around



the world is already drawing a large number of NGOs, agencies and institutions into the tsunami-affected areas.

Co-ordination is always a challenge in complex emergencies: in this case, the task will be complicated by the large number of actors involved and the volume of funds transferred, not only off-budget but outside official development assistance flows. Government efforts to establish a unified planning and budgetary framework and effective information and co-ordination structures will need to be respected by all the international actors engaged.

The recovery strategy needs to find a balance between responding rapidly and broad participation. People need to get back to work, get money in their pockets and put their children back in school.

Some of these programmes, supported by the government and the United Nations, have already started. At the same time, the people will need time to determine where and how to rebuild their homes and businesses.

And whole communities will need time to rethink the design of their towns and villages and rebuild their healthcare and school systems. Programmes to address immediate reconstruction needs, while planning for longer-term reconstruction,

need to be carried out in tandem. Finding the right balance, building on a needs assessments and specific sector strategies, will be crucial for the success and sustainability of the recovery process.

Some programmes can, and should, be implemented immediately. These include support for those with trauma, labor-intensive work programmes, and getting children back to school. Large infrastructure rehabilitation could also start immediately, particularly with respect to telecommunications, electricity, ports and airports. These sectors are dominated by State-owned enterprises, and consultation with the affected population and the private sector should support the most cost-effective rehabilitation.

For longer-term participation in the planning process, it is necessary to reconstitute communities through restoring community organizations. This will require extending those networks of community-based organizations that are still functioning in the affected areas. It will also require working within the temporary shelters of displaced persons to try to preserve and restore community ties.

Local services

Re-establishing local governments to provide core local services should be among the highest priorities. The Aceh

and North Sumatra public administration, justice and security systems have been paralyzed. In Aceh, two-thirds of the local governments are not yet operational and it will take time for effective participation through local elections and fully functioning institutions to be re-established. In the interim, significant assistance from national ministries and agencies from Jakarta will be crucial to quickly restore services, but such arrangements should have clear 'sunset' provisions and transition strategies to move back to local control over provision of public services as soon as possible.

A successful recovery strategy should have five basic goals:

- to restore people's lives—clean water to drink, roads to take their children to clinics, roofs over their head, a source of income to support their families.
- to restore the economy—jobs, markets for people to sell and buy daily necessities, banks that lend to small-scale enterprises.
- to rebuild communities to give them social stability, a sense of orientation and local solidarity.
- to restore the system of local governance—local governments that represent people's aspirations and guide development towards that goal.
- to re-establish the province as politically stable and economically vibrant, a growth pole of Indonesia that attracts investment from the whole region and is resilient and protected against new disasters .

This excerpt is from the report prepared by BAPPENAS, Indonesia's National Planning Development Agency, and the international donor community