

INDIAN OCEAN TSUNAMI: A DOSSIER

REPORTS ON
FINANCIAL ASSISTANCE PLANS

VOLUME II

Produced for
SAAPE –ICSF Regional Meeting on

A People's Process for Post-Tsunami Rebuilding

24-26 April 2005
Colombo, Sri Lanka



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INDIAN OCEAN TSUNAMI: A DOSSIER
Reports on Financial Assistance Plans

VOLUME II

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INDIAN OCEAN TSUNAMI: A DOSSIER
Report on Financial Assistance Plans

VOLUME II

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Financial Assistance

1. Indian Ocean Tsunami: Timeline 2005-2006
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6. World Bank 2 February 2005

INDIAN OCEAN TSUNAMI: A DOSSIER

INTRODUCTION

This dossier is a compilation of various reports produced by multilateral and national agencies on rehabilitation in the aftermath of the tsunami in the Indian Ocean region on 26 December 2004. It includes summary reports of the United Nations Office for the Co-ordination of Humanitarian Affairs (OCHA), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Children's Fund (UNICEF), the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organization (ILO), the World Bank and the Asian Development Bank (ADB).

The dossier is in two volumes. Volume I of the dossier has three parts: Part A provides an overview of damages at the regional level, especially to agriculture, fisheries and the coastal and marine environment; Part B looks at rehabilitation initiatives proposed at the regional level by multilateral agencies and Part C details the rehabilitation and reconstruction policies and programmes of tsunami-affected countries in the region, such as India, Sri Lanka, Indonesia, Thailand and Maldives. Volume II of the dossier provides information on the financial assistance plans of multilateral agencies for relief and rehabilitation.

This dossier has been produced by the International Collective in Support of Fishworkers (ICSF) for the regional meeting on "A People's Process for Post-Tsunami Rebuilding" organized jointly by the South Asia Alliance for Poverty Eradication (SAAPE) and ICSF, from 24 to 26 April 2005 at Colombo, Sri Lanka, to facilitate a comprehensive understanding of the impact of the 2004 Indian Ocean tsunami and proposed rehabilitation measures, particularly in the most affected countries. It includes summaries of important documents produced up to 24 March 2005. (Full reports are available on the CD-ROM *Indian Ocean Tsunami*, also produced for the same meeting.) An overview of all the documents in the dossier is presented in a tabular form at the end.

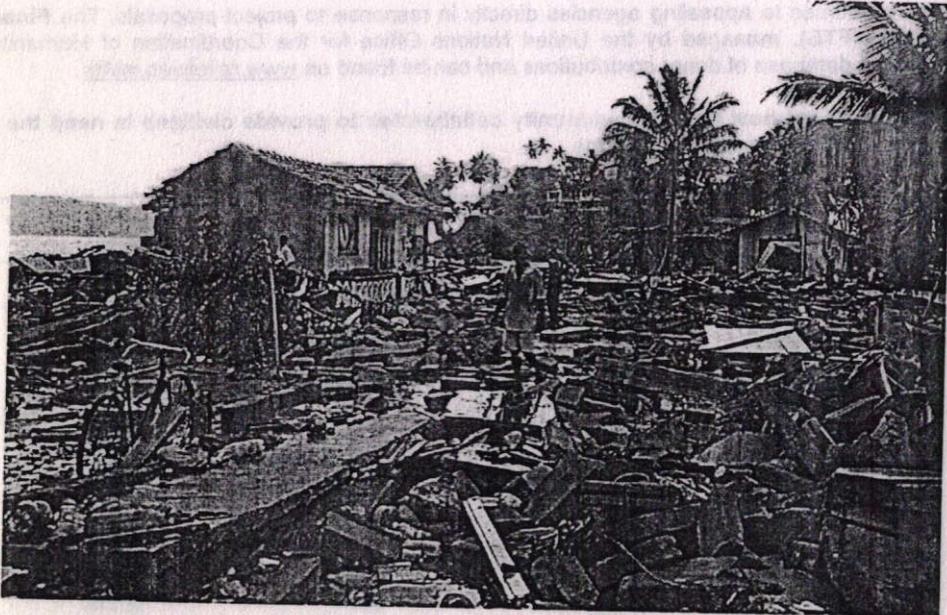
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Indian Ocean Earthquake - Tsunami 2005



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Consolidated Appeals Process (CAP)



Consolidated Appeals Process (CAP)

The CAP is much more than an appeal for money. It is an inclusive and coordinated programme cycle of:

- strategic planning leading to a Common Humanitarian Action Plan (CHAP);
- resource mobilisation (leading to a Consolidated Appeal or a Flash Appeal);
- coordinated programme implementation;
- joint monitoring and evaluation;
- revision, if necessary; and
- reporting on results.

The CHAP is a strategic plan for humanitarian response in a given country or region and includes the following elements:

- a common analysis of the context in which humanitarian action takes place;
- an assessment of needs;
- best, worst, and most likely scenarios;
- stakeholder analysis, i.e. who does what and where;
- a clear statement of longer-term objectives and goals;
- prioritised response plans; and
- a framework for monitoring the strategy and revising it if necessary.

The CHAP is the foundation for developing a Consolidated Appeal or, when crises break or natural disasters occur, a Flash Appeal. The CHAP can also serve as a reference for organisations deciding not to appeal for funds through a common framework. Under the leadership of the Humanitarian Coordinator, the CHAP is developed at the field level by the Inter-Agency Standing Committee (IASC) Country Team. This team mirrors the IASC structure at headquarters and includes UN agencies, and standing invitees, i.e. the International Organization for Migration, the Red Cross Movement, and NGOs that belong to ICVA, Interaction, or SCHR. Non-IASC members, such as national NGOs, can be included, and other key stakeholders in humanitarian action, in particular host governments and donors, should be consulted.

The Humanitarian Coordinator is responsible for the annual preparation of the consolidated appeal *document*. The document is launched globally each November to enhance advocacy and resource mobilisation. An update, known as the *Mid-Year Review*, is presented to donors in June of each year.

Donors provide resources to appealing agencies directly in response to project proposals. The **Financial Tracking Service (FTS)**, managed by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), is a database of donor contributions and can be found on www.reliefweb.int/fts

In sum, the CAP is about how the aid community collaborates to provide civilians in need the best protection and assistance available, on time.

ORGANISATIONS PARTICIPATING IN CONSOLIDATED APPEALS DURING 2005:

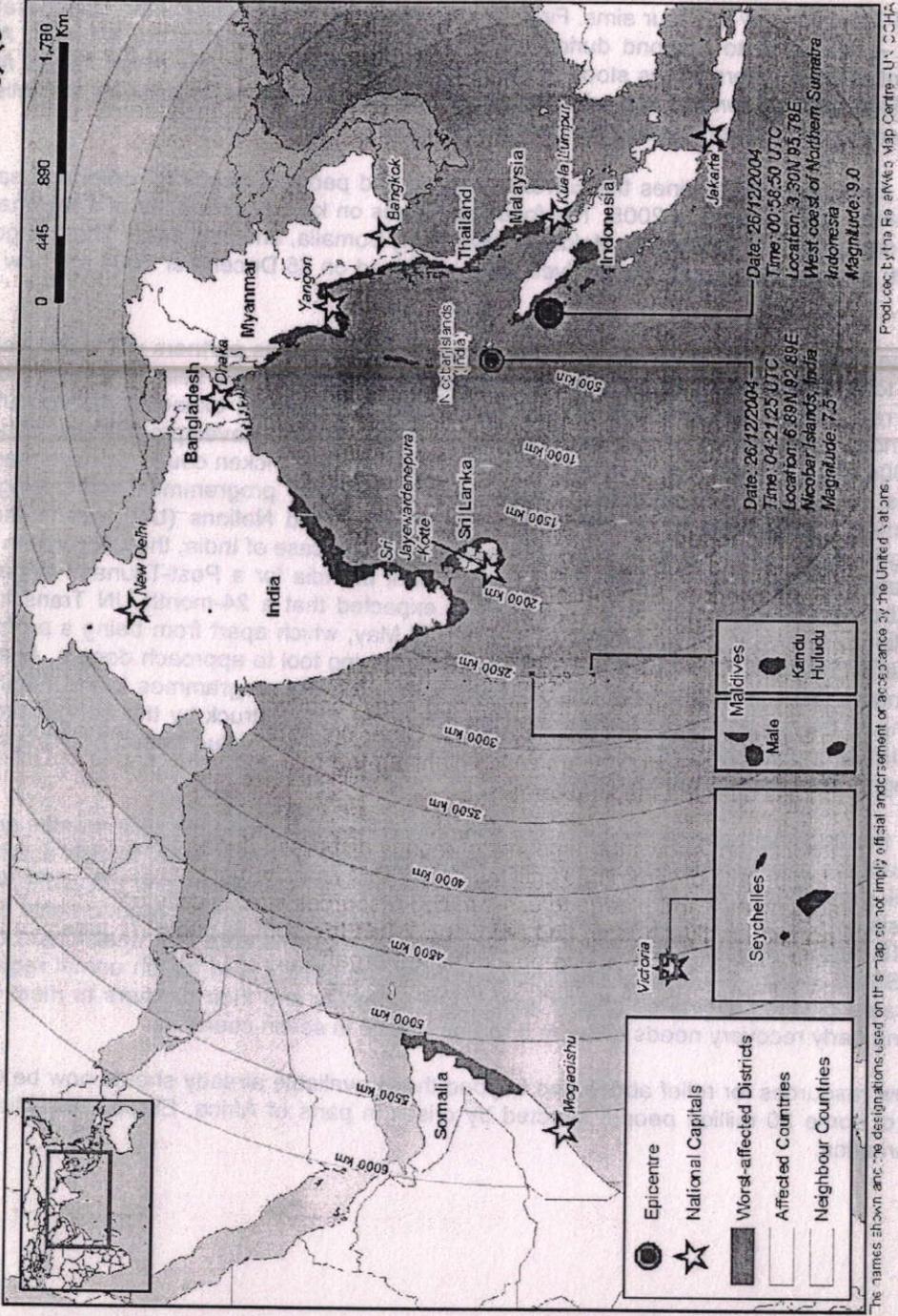
AAH	CPA-LIRA	HIA	Non-Violence Int'l	TEWPA
ABS	CPAR	Horn Relief	NPA	UNAIDS
ACF/ACH	CPCD	HWA	NRC	UNDP
ACTED	CRC	IFRC	OCHA	UNESCO
ADRA	CREAF	ILO	OCPH	UNFPA
Africare	CRS	IMC	OHCHR	UN-HABITAT
Alisei	DDG	INTERMON	Open Continent	UNHCR
AMREF	DENAL	INTERSOS	Orphan's Aid	UNICEF
ARC	DRC	IOM	OXFAM-GB	UNIFEM
Atlas Logistique	EMSF	IRC	PAPP	UNMAS
AVSI	ERM	IRIN	PIN	UNODC
CAM	FAO	Islamic Relief	PRC	UNRWA
CARE Int'l	Fondn. Suisse Déminage	JVSF	RUFOU	UNSECOORD
CARITAS	GAA	KOC	SBF	VESTA
CEASOP	GPI	LIBA	SCF / SC-UK	VETAID
CESVI	HA	LSTG	SCU	WACRO
CIRID	HABEN	MAG	SERLO	WANEP/APDH
COLFADHEMA	Handicap Int'l	Mani Tese	SFP	WFP
COMED	HDIG	MAT	Solidarités	WHO
COOPI	HDO	MDA	TASO	WV Int'l
CORDAID	HFe.V	NE	TEARFUND	

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AFRICA, SOUTH ASIA, SOUTHEAST ASIA COUNTRIES AFFECTED BY EARTHQUAKE & TSUNAMI



The names shown are not necessarily official and do not imply official endorsement or acceptance by the United Nations. Produced by the Earthquake Hazards Centre, UN-SCDH, January 2005.

INTRODUCTION

The earthquake-tsunami, which struck on 26 December 2004, was one of the most devastating natural disasters ever. The response from every quarter has been swift and extraordinarily generous. The need for accountability, first to the people whose lives were ruined by this catastrophe, and second to the millions of people around the world who have provided resources, has never been so apparent.

INTRODUCTION

The earthquake-tsunami, which struck on 26 December 2004, was one of the most devastating natural disasters ever. The response, from every quarter, has been swift and extraordinarily generous. The need for accountability, first to the people whose lives were ruined by this catastrophe, and second to the millions of people around the world who have provided resources, has never been so apparent.

This *Mid-Term Review* has four aims. First, to note what one set of actors – the United Nations and its partners – has done to respond during the first three months following the calamity. As such, the document reviews where things stood at the launch of the United Nations *Flash Appeal for the Indian Ocean Earthquake-Tsunami* and what progress has been made in addressing the relief and early recovery requirements assessed in the immediate aftermath of the disaster.

Second, the document outlines the current situation and people's needs for relief and early recovery programmes until the end of 2005. The focus continues on key requirements of a regional nature and those more specific to Indonesia, Maldives, Myanmar, Somalia, and Sri Lanka. There is good news on this front: most of the people whose lives were shattered on 26 December 2004 are now well beyond survival.

Third, the Mid-Term Review maps how the United Nations and its partners will work over the coming months to address relief and early recovery priorities identified in the field. The review demonstrates how current actions are linked to reconstruction and development expected throughout the coming years. Indeed, the notion of a linear progression "from relief to development" was debunked in the mid-1990s and it is important to note that Governments in the stricken countries have made significant progress to assess reconstruction needs and to develop programmes addressing them. The Governments, supported by the World Bank and the United Nations (UN), are in the process of outlining medium- and long-term plans. For example, in the case of India, the UN System has issued a "Recovery Framework in Support of the Government of India for a Post-Tsunami Rehabilitation and Reconstruction Programme." In Sri Lanka, it is expected that a 24-month UN Transitional Strategy from relief to recovery will be drafted by the end of May, which apart from being a programming and coordination instrument, will also be used as a fund-raising tool to approach donors. Agencies, whose programmes differ in nature from the relief and early recovery programmes in this Flash Appeal, are partaking in the upcoming Sri Lanka exercise. Other countries struck by the earthquake-tsunami will shortly issue country-specific papers which highlight the role and value added of UN agencies, funds, and programmes over the medium-term.

Finally, the document shows the amounts of money disbursed during the past months and required to implement the priority programmes until the end of this year. In most cases, the UN and its partners do not seek more money and pledge to use existing resources strategically and efficiently with increasing emphasis on shelter, livelihoods, and recovery. While the sum of unmet requirements currently totals US\$ 216 million, agencies and non-governmental organisations note that unallocated donor pledges total US\$ 95 million. In terms of financial resources, the priority is to match unmet requirements with unallocated pledges. Doing so should enable UN agencies and their partners to meet the remaining relief and early recovery needs of some 5 million people in seven countries.

Any new resources for relief above and beyond those available already should now be directed to the needs of some 30 million people affected by crises in parts of Africa, Europe, the Middle East, and Latin America.

**INDIAN OCEAN EARTHQUAKE – TSUNAMI 2005
MID TERM REVIEW OF FLASH APPEAL**

**Flash Appeal for
Indian Ocean Earthquake - Tsunami 2005**
Summary of Requirements - by Sector and Country of Destination
as of 5 April 2005
<http://www.reliefweb.int/fts>

INDIAN OCEAN APPEAL BY SECTOR

Sector	Original Requirements	Revised Requirements	Commitments & Contributions	Unmet Requirements	% Funded
AGRICULTURE	12,000,000	56,730,000	6,549,940	50,180,060	11.5%
COORDINATION AND SUPPORT SERVICES	143,446,263	166,935,826	94,539,493	72,396,333	56.6%
ECONOMIC RECOVERY AND INFRASTRUCTURE	109,762,475	177,344,000	46,773,543	130,570,457	26.4%
EDUCATION	27,019,340	29,719,340	2,108,304	27,611,036	7.1%
FAMILY SHELTER AND NON-FOOD ITEMS	223,941,000	187,275,000	111,829,715	75,445,285	59.7%
FOOD	214,769,000	211,369,000	250,288,506	-38,919,506	118.4%
HEALTH	121,790,220	128,800,220	63,234,040	65,566,180	49.1%
MINE ACTION	4,232,000	4,232,000	-	4,232,000	0.0%
MULTI-SECTOR	28,854,829	28,209,239	6,546,103	21,663,136	23.2%
PROTECTION/HUMAN RIGHTS/RULE OF LAW	27,141,500	27,085,193	6,783,263	20,301,930	25.0%
SECURITY	3,200,000	3,200,000	1,576,407	1,623,593	49.3%
WATER AND SANITATION	60,818,840	65,783,815	7,448,276	58,335,539	11.3%
UNSPECIFIED	-	-	272,831,693	-272,831,693	---
Grand Total	976,975,467	1,086,683,633	870,509,283	216,174,350	80.1%

**Flash Appeal for
Indian Ocean Earthquake - Tsunami 2005**
Summary of Requirements - by Sector and Country of Destination
as of 5 April 2005
<http://www.reliefweb.int/fts>

SUMMARY BY COUNTRY

Country	Original Requirements	Revised Requirements	Commitments & Contributions	Unmet Requirements	% Funded
REGIONAL	361,389,175	437,750,625	347,216,983	90,533,642	79.3%
INDONESIA	372,759,203	396,890,823	149,850,709	247,040,114	37.8%
MALDIVES	66,497,000	72,740,524	31,327,044	41,413,480	43.1%
SEYCHELLES	8,900,000	11,562,000	3,430,000	8,132,000	29.7%
SOMALIA	10,179,418	8,699,330	6,147,380	2,551,950	70.7%
SRI LANKA	157,250,671	159,040,331	59,705,474	99,334,857	37.5%
UNSPECIFIED	-	-	272,831,693	-272,831,693	--
Grand Total	976,975,467	1,086,683,633	870,509,283	216,174,350	80.1%

**INDIAN OCEAN EARTHQUAKE – TSUNAMI 2005
MID TERM REVIEW OF FLASH APPEAL**

<p>Flash Appeal for Indian Ocean Earthquake - Tsunami 2005 Summary of Requirements - by Appealing Agency and Country of Destination as of 5 April 2005 http://www.reliefweb.int/its</p>
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INDIAN OCEAN FLASH APPEAL BY APPEALING AGENCIES (ALL RECIPIENT COUNTRIES)					
Appealing Agency	Original Requirements	Revised Requirements	Commitments & Contributions	Unmet Requirements	% Funded
CARE	6,869,000	6,869,000	2,202,132	4,666,868	32.1%
CCF	8,570,500	8,189,885	3,643,464	4,546,421	44.5%
CORDAID	2,500,000	2,500,000	-	2,500,000	0.0%
CRS	500,000	500,000	-	500,000	0.0%
CWS	750,000	750,000	-	750,000	0.0%
FAO	26,510,475	100,591,000	26,084,699	74,506,301	25.9%
FAO/UNDP	1,200,000	1,500,000	812,000	688,000	54.1%
FCE	750,000	750,000	56,503	693,497	7.5%
HKI	3,100,000	3,100,000	-	3,100,000	0.0%
ICMC	1,200,000	1,200,000	-	1,200,000	0.0%
ILO	15,425,000	15,425,000	4,037,886	11,387,114	26.2%
IMC	500,000	500,000	847,940	-347,940	169.6%
IOM	73,800,000	74,050,000	44,938,214	29,111,786	60.7%
IOM / UNICEF / UNFPA	1,100,000	-	-	-	N/A
IR	2,450,000	2,450,000	2,995,000	-545,000	122.2%
IRC/CARDI	7,500,000	7,500,000	1,221,617	6,278,383	16.3%
IRD	4,800,000	4,800,000	-	4,800,000	0.0%
ISDR	8,000,000	8,000,000	5,807,056	2,192,944	72.6%
MCI	15,000,000	15,000,000	-	15,000,000	0.0%
NAWF	250,000	250,000	-	250,000	0.0%
NRC/CARDI	7,500,000	7,500,000	-	7,500,000	0.0%
OCHA	15,560,563	20,564,126	24,424,678	-3,860,552	118.8%
OXFAM UK	1,900,000	1,900,000	2,247,552	-347,552	118.3%
PCI	2,000,000	2,000,000	-	2,000,000	0.0%
SC	3,500,000	6,500,000	2,323,269	4,176,731	35.7%
UN Agencies and NGOs	-	-	14,905,260	-14,905,260	N/A
UNAIDS	-	300,000	-	300,000	0.0%
UNDP	97,100,000	126,517,000	82,511,605	44,005,395	65.2%
UNDP / FAO / UNEP	900,000	900,000	1,300,000	-400,000	144.4%
UNDP/UNDSS	3,000,000	3,000,000	1,384,836	1,615,164	46.2%
UNDP/UN-HABITAT	60,000,000	29,240,000	36,813,966	-7,573,966	125.9%
UNDSS (previously UNSECOORD)	200,000	200,000	191,571	8,429	95.8%
UNEP	1,950,000	8,350,000	1,789,332	6,560,668	21.4%
UNESCO	-	14,450,000	-	14,450,000	0.0%
UNFPA	28,100,000	27,293,693	24,583,717	2,709,976	90.1%
UN-HABITAT	11,000,000	11,000,000	5,010,030	5,989,970	45.5%
UNHCR	75,847,500	76,851,500	47,620,194	29,231,306	62.0%
UNICEF	144,534,880	151,734,880	160,368,218	-8,633,338	105.7%
UNIFEM	3,587,500	3,587,500	2,717,286	870,214	75.7%
UNJLC	4,000,000	5,400,000	7,718,751	-2,318,751	142.9%
UNV	12,500,000	12,500,000	7,774,000	4,726,000	62.2%
WFP	253,605,000	250,205,000	279,713,247	-29,508,247	111.8%
WHO	67,060,220	70,410,220	72,323,260	-1,913,040	102.7%
World Concern	212,829	212,829	-	212,829	0.0%
WV	2,142,000	2,142,000	2,142,000	-	100.0%
Grand Total	976,975,467	1,086,683,633	870,509,283	216,174,350	80.1%

REGIONAL

1. EXECUTIVE SUMMARY

In the early stages of the tsunami disaster, regional coordination of logistics, procurement, humanitarian coordination, information systems, resources allocation, and management were essential to respond to the vast needs throughout the tsunami affected areas. During the first three months of the Flash Appeal, projects were implemented in the areas of food aid, joint logistics and air services, coordination, regional health, technical support, early warning systems, management, monitoring and evaluation, protection and human rights, capacity building, and security for humanitarian operations.

Since the launch of the Flash Appeal, thousands of metric tons of food have been delivered. Regional logistic support services ensured the safe passage of aid workers and relief items by ground, sea, and air. Early warning systems to rapidly detect, investigate and respond to outbreaks of communicable diseases were established in all affected countries. Worldwide recognition and support generated concrete steps to the creation of a natural disaster early warning system. Numerous coordination meetings, press statements, and donor meetings were held. Action was taken quickly to respond to the needs of disaster-stricken communities suffering from multiple physical, social economic and psychological impacts. Assessments were made in many sectors to identify present and future needs and activities addressing early recovery of livelihoods have been initiated.

Three months later, a regional response is still essential. However the regional priorities in the Mid Term Review represent an overall recognition of the need to plan for the transition from emergency relief activities to longer-term recovery and reconstruction needs. The regional projects are sensitive to the fact that the timeline for this transition will not be the same in each country. For example, while in some countries relief efforts continue, in Thailand after the immediate emergency needs were met, rehabilitation and reconstruction activities started quickly. Projects continue to address the humanitarian needs of affected populations and vulnerable groups such as women, children, minorities and migrant workers. Health initiatives are now moving from emergency relief work towards rehabilitation and recovery of health systems and services. The current projects also emphasise the need for sustainable environmental restoration efforts that support rapid livelihood recovery, longer-term poverty alleviation and environmental protection goals. Support for Human Immuno-deficiency Virus/Acquired Immuno-deficiency Syndrome (HIV/AIDS) interventions has emerged as a new priority need as the rapid recovery and reconstruction process threatens to increase exposure risk. As part of its revised priorities, the Office for the Coordination of Humanitarian Affairs (OCHA) will collaborate with development partners to ensure that the transition from relief to recovery is coordinated.

The Royal Thai Government has not requested direct financial assistance and thus does not wish to be included in the Flash Appeal directly. However the UN technical assistance activities undertaken in partnership with the Royal Thai Government have been included in the Regional Section of the Flash Appeal, as agreed with the Government.

The funding requested for regional-level aid activities amounts to US\$ 438 million.

**INDIAN OCEAN EARTHQUAKE – TSUNAMI 2005
MID TERM REVIEW OF FLASH APPEAL**

**Flash Appeal for
Indian Ocean Earthquake - Tsunami 2005**
Summary of Requirements - by Sector and Country of Destination
as of 5 April 2005
<http://www.reliefweb.int/fts>

REGIONAL					
Sector	Original Requirements	Revised Requirements	Commitments & Contributions	Unmet Requirements	% Funded
AGRICULTURE	1,600,000	29,330,000	1,686,100	27,643,900	5.7%
COORDINATION AND SUPPORT SERVICES	93,066,200	112,458,125	60,436,568	52,021,557	53.7%
ECONOMIC RECOVERY AND INFRASTRUCTURE	34,085,475	56,565,000	13,365,200	43,199,800	23.6%
EDUCATION	1,100,000	3,000,000	-	3,000,000	0.0%
FAMILY SHELTER AND NON-FOOD ITEMS	1,000,000	1,100,000	1,000,000	100,000	90.9%
FOOD	209,900,000	206,500,000	246,573,944	-40,073,944	119.4%
HEALTH	12,700,000	18,260,000	20,260,629	-2,000,629	111.0%
MULTI-SECTOR	1,850,000	1,250,000	985,685	264,315	78.9%
PROTECTION/HUMAN RIGHTS/RULE OF LAW	4,887,500	6,587,500	2,717,286	3,870,214	41.2%
SECURITY	200,000	200,000	191,571	8,429	95.8%
WATER AND SANITATION	1,000,000	2,500,000	-	2,500,000	0.0%
Grand Total	361,389,175	437,750,625	347,216,983	90,533,642	79.3%
UNSPECIFIED	-	-	272,831,693	-	-

**Flash Appeal for
Indian Ocean Earthquake - Tsunami 2005**
Summary of Requirements - by Appealing Agency and Country of Destination
as of 5 April 2005
<http://www.reliefweb.int/fts>

REGIONAL					
Appealing Agency	Original Requirements	Revised Requirements	Commitments & Contributions	Unmet Requirements	% Funded
FAO	10,085,475	62,950,000	7,289,300	55,660,700	11.6%
FAO/UNDP	1,200,000	1,500,000	812,000	688,000	54.1%
IOM	550,000	800,000	685,685	114,315	85.7%
IOM / UNICEF / UNFPA	1,100,000	-	-	-	N/A
ISDR	8,000,000	8,000,000	5,807,056	2,192,944	72.6%
OCHA	5,323,000	6,974,925	10,438,290	-3,463,365	149.7%
UNAIDS	-	300,000	-	300,000	0.0%
UNDP	24,800,000	24,905,000	6,900,000	18,005,000	27.7%
UNDP / FAO / UNEP	900,000	900,000	1,300,000	-400,000	144.4%
UNDP/UN-HABITAT	-	240,000	-	240,000	0.0%
UNDSS (previously UNSECOORD)	200,000	200,000	191,571	8,429	95.8%
UNEP	-	1,300,000	-	1,300,000	0.0%
UNESCO	-	12,000,000	-	12,000,000	0.0%
UNFPA	200,000	450,000	300,000	150,000	66.7%
UNHCR	-	200,000	-	200,000	0.0%
UNICEF	24,343,200	31,543,200	1,688,337	29,854,863	5.4%
UNIFEM	3,587,500	3,587,500	2,717,286	870,214	75.7%
UNJLC	4,000,000	5,400,000	7,718,751	-2,318,751	142.9%
UNV	12,500,000	12,500,000	7,774,000	4,726,000	62.2%
WFP	252,400,000	249,000,000	275,022,415	-26,022,415	110.5%
WHO	12,200,000	15,000,000	18,572,292	-3,572,292	123.8%
Grand Total	361,389,175	437,750,625	347,216,983	90,533,642	79.3%

2. REVIEW OF CURRENT PLAN AND APPEAL

2.1 Coordination and Support Services

Coordination

OCHA was responsible for strengthening the taskforce handling the tsunami disaster, and provided support for field and regional coordination activities. To date, OCHA has deployed more than 100 people to the countries struck by the disaster in order to assist with coordination, including information dissemination. OCHA held numerous coordination meetings between New York, Geneva, UN Agencies, Non-Governmental Organizations (NGOs) and OCHA field offices. Headquarters (HQs) produced regular situation reports, policy papers, briefing notes, lessons learned and strategic plans to respond to the ongoing humanitarian needs and to assist with the transition from relief to early recovery. OCHA also ensured a continuous flow of information to the world media, and Reliefweb published over 4,060 documents and 90 maps on the disaster. OCHA organised information meetings to provide a common forum for all donors and UN agencies to exchange information and set priority needs. Finally, OCHA tracks contributions daily. OCHA also worked with UN Country Teams (UNCTs) to distribute un-earmarked funds channelled through OCHA.

An OCHA Regional Office in Bangkok was being established when the disaster occurred and has provided regional back-up to the UN tsunami operation through information sharing meetings at the regional level, as well as direct support to the UN RC/HC in Thailand. The office provides information and other services to the humanitarian community. It also ensures the appropriate use of Military and Civil Defence Assets (MCDA) in response to the tsunami, as well as the proper involvement of regional MCDA providers in strengthening response preparedness.

OCHA immediately deployed UN Civil-Military Coordination Officers to key locations in the affected region. These officers coordinated and liaised with the militaries of some 35 countries, and governmental bodies, on the provision of military assets to support the relief effort according to the needs identified by the humanitarian community. A structured Civil-Military Coordination (CMCoord) network comprised of three levels: headquarters (Geneva), regional (Bangkok) and field (U-Tapao, Jakarta, Banda Aceh, Meulaboh, Medan and Colombo). The UN-Civil-Military Coordination network coordinated some 35 countries' contributions of military assets in support of the humanitarian community, with a peak of some 153 helicopters, 84 fixed wing aircraft, 62 sea-based assets and over 30,000 supporting international military personnel delivering a daily average of 68 MTs of food, 70 MTs of water and 20 MTs of medical goods.

Humanitarian Information Centres

OCHA managed the deployment and operations of Humanitarian Information Centres (HICs), as designated by the Inter-Agency Standing Committee. HICs provided information management services and products to the entire humanitarian community, including national governments, donors, international and national NGOs, international organisations and the UN. HICs have been established in both Indonesia and Sri Lanka.

Regional Logistics Support Services

Logistics Augmentation (SO 10406): The World Food Programme (WFP) rapidly upgraded its logistics operations in the region to ensure sufficient transport and storage capacity for the aid being delivered to tsunami survivors. Through regular flights from the UN's Humanitarian Response Depot in Brindisi, Italy and the Asia Emergency Response Facility in Phnom Penh, Cambodia, to date WFP has deployed the following:

- 35 Temporary Office Units;
- 28 Temporary Accommodation Units;
- 70 Mobile warehouses with basic warehouse equipment;
- 3 Fuel storage tanks and browsers to Sri Lanka;
- 40 Water purification units;
- 11 Trucks and 8 light vehicles (6 Toyota Hillux and 2 Land cruisers) deployed to Sri Lanka;
- 20 Stand-by personnel of primarily logistics profiles;
- 150 Individual emergency deployment kits and first aid kits to Indonesia and Sri Lanka.

For its part, the UN Children's Fund (UNICEF) deployed twelve logisticians, seven of whom were seconded to the UN Joint Logistics Centre (UNJLC) cells within the affected region. The other five

assisted the UNICEF country offices in their logistics activities. Furthermore, UNICEF brought in a large quantity of supplies like rubhalls water purification units, emergency health kits, emergency relief supplies, tents, plastic sheeting, school-in-a-box, recreation kits, vehicles with a total value of US\$ 18 million (this amount does not include freight). The UNICEF offices in the tsunami-affected region undertook local procurement totalling US\$ 21 million. A total of 25 full charters were flown to the affected area, as well as numerous commercial flights.

UN Joint Logistics Center (SO 10408): WFP is managing the UNJLC, including an Air Coordination Center, which provides logistics and movement coordination to humanitarian agencies working on tsunami relief operations. UNJLC now has offices in Colombo, Jakarta, Banda Aceh, and Medan, as well as a regional office in Bangkok and an office at the Humanitarian Air Hub at Subang, which was managed by UNICEF seconded staff throughout the two-month period of activation. UNJLC is investigating new sea routes to move aid to Indonesia while avoiding the congested airports in affected areas. Two sea access points are now in use to offload aid at Meulaboh on the west coast of Sumatra, one of the hardest-hit points in Indonesia.

Air Support (SO 10407): A major airlift operation was required to move humanitarian assistance to the crisis zone. WFP has established a fleet of dedicated aircraft (both fixed-wing and helicopters) and set up staging areas in nearby countries to ease congestion at airports in the crisis zone itself. The base of the operation is in Banda Aceh, and a Humanitarian Air Hub for the strategic airlift was established at the Subang Air Base in Kuala Lumpur. The operation averages over 30 trips a day, and carries humanitarian workers, medical and telecommunications equipment, vehicles and food. To date some 4,000 passengers from 130 organisations have used this service, and more than 300 metric tonnes (MT) of cargo have been transported.

Early Warning

A variety of UN and other international actors collaborated in an effort coordinated by the International Strategy for Disaster Reduction (ISDR). The effort aimed at securing public confidence vis-à-vis future tsunamis in the Indian Ocean by supporting the coordination and planning necessary to develop tsunami early warning capacities and boosting necessary awareness and capacities by public authorities. Achievements include the support provided to the series of high level regional meetings on the tsunami, the organising of meetings including a half day meeting on the development of a tsunami early warning system at the World Conference on Disaster Reduction, Kobe, a training and study tour of Japan's tsunami early warning system for high-level administrators from the region, and an international coordination meeting organised by UN Educational, Scientific and Cultural Organization (UNESCO) / International Oceanographic Commission (IOC) to secure necessary political and technical agreement on the development of the regional tsunami early warning system. An interim mechanism for exchanging tsunami advisory information has been established under these initiatives, which includes steps by UNESCO-IOC and the World Meteorological Organization (WMO) to upgrade existing data systems.

2.2 Economic Recovery and Infrastructure

The Indian Ocean Earthquake and Tsunami has been the worst disaster in the region in recent history in view of both the number of people needing assistance and the large area that has been affected. In order to address the immediate humanitarian needs and to lay the groundwork for sustainable recovery, reconstruction and development, a multi-pronged strategy was proposed by the UN Development Fund (UNDP) at the outset of this appeal. This strategy aimed to support the UN Development Group (UNDG)/inter-agency recovery effort through (a) the coordination of information on disaster damage and recovery needs; (b) the preparation and provision of multi-hazard risk assessment information and assistance to countries with developing safety standards; and (c) meeting a variety of emergency capacity needs of countries in the region.

The International Labour Organization (ILO) also worked on the ground for early recovery and reconstruction, providing its services and advice to all actors on job creation, local economic development and social protection; activities all needed for an employment – sensitive recovery and to recreate a productive environment.

Progress & Achievements: UNDP addressed the immediate humanitarian and recovery needs identified by this regional programme during the first three months of the appeal from its core resources through the following initiatives:

- Contributed to national and joint World Bank (WB), Asian Development Bank (ADB) and UN Needs Assessment Missions in India, Indonesia, the Maldives, and Thailand;
- Supported the development of guiding principles for the assessment of cross sector issues in the second phase of the recovery planning in Sri Lanka;
- Assisted affected governments with the preparation of recovery planning frameworks in India, Sri Lanka, and Indonesia;
- Supported the collection and storage of information on damages and needs at national and local levels through the establishment of Disaster Inventories in Sri Lanka, Maldives and Indonesia;
- Provided technical advice through recovery experts and United Nations Volunteers for recovery planning, programming, assessment and information management;
- Provided UNDP core funds for the strengthening of coordination, assessment and information management functions;
- Supported affected countries with policy guidance on how to focus national and local recovery initiatives on reducing disaster risks;
- Facilitated the participation and consultation of affected populations in the recovery planning and programming;
- Spearheaded jointly with OCHA and the UN Economic and Social Commission for Asia and the Pacific (UNESCAP) the preparation of a draft map of UN roles in Post-Tsunami Multi-Hazard Early Warning System Development;
- Prepared in collaboration with OCHA a brief guide on the Essential Elements of Recovery Programming with a focus on the immediate post-disaster recovery phase (one to six months).
- Facilitated a stocktaking initiative for selected representatives of UNDP Country offices from affected countries with the aim to monitor progress and to exchange good practices and lessons learned.

Constraints: The tsunami disaster in Asia must be considered an exceptional event with a reoccurrence of every 200 years only. Although it is generally accepted that it would have been almost impossible to be prepared for an event of this magnitude and impact, such rare events are instrumental in uncovering underlying risks and vulnerabilities. In particular the enormous impacts reported in the tourism sector across most of the affected countries have raised important questions on the prevailing development model for coastal tourism. The existing development model will consequently also determine the recovery process as development issues that existed before the disaster - e.g. poverty, environmental degradation or land rights will have to be taken into account in the recovery programme. These concerns have already developed into major challenges in some countries.

Other constraints have been reported, such as gaps in the area of suitable assessment methodologies for identifying early recovery needs, or the deployment of short-term technical experts to support recovery planning and programming which have been essential, but do not allow for a sustained engagement over a 6 month or longer period.

The impact of funding levels on the programme: UNDP contributed funds from its core resources for the deployment of regional disaster reduction advisors and short-term recovery experts to Indonesia, Sri Lanka, Maldives, India and Thailand. Additional funds sought through the Flash Appeal amounted to US\$ 22 million. These were originally allocated to national and regional coordination activities, risk assessment, capacity building support and early warning systems. To date only the amount of US\$ 6.95 million was received / pledged through the flash appeal process.

2.3 Food

WFP launched an immense and rapid response to the tsunami. WFP, as at mid-March, was reaching over 1.7 m beneficiaries and had dispatched almost 50,000 MT of food, using within the region alone at the height of the operation in January/February an estimated 1 dedicated vessel, 2 landing craft, over 200 trucks, 6 fixed-wing aircraft, 8 helicopters, 32 storage tents, 328 international staff, and 60 additional light vehicles.

Four broad categories of beneficiaries have emerged: i) internally displaced persons (IDPs) in makeshift camps / shelters; ii) Internally displaced persons (IDPs) in host families; iii) people who have lost their livelihoods; iv) people living in isolated communities. In Sri Lanka and Indonesia, most of those identified as of late January are IDPs in camps / shelters. February / March have seen people in the other three categories coming forward for assistance.

WFP's emergency needs assessments were completed in late January. WFP's initial emergency food security assessment estimated that up to 790,000 people may require food assistance. Currently, WFP plans to reach up to 590,000 people in March 2005, after which the requirements for general food distribution are expected to start declining. It is, however, expected that there will be a need for continued general food distributions throughout the year given the large number of people who are expected to remain displaced. In Sri Lanka, the mission recommended a continuation of general relief distributions until the end of February for 850,000 of those affected, followed by a targeted programme covering vulnerable group feeding, mother and child nutrition and supplementary feeding programmes and emergency school feeding. In Myanmar, 5,000 people were confirmed as needing relief and 10,000 people as needing recovery assistance until June. In the Maldives, the assessment reduced the initial planning figure of people in need of food assistance to 36,000. Food security assumptions in all countries will be updated over the course of 2005 Emergency Operations (EMOP) and targeting adjusted accordingly. A mid-year assessment aimed at measuring progress against the baseline will be conducted in June.

2.4 Health

At the outset of the Flash Appeal, the World Health Organization (WHO) issued a strategy for responding to the most pressing needs identified by the rapid assessments carried out in collaboration with ministries of health, UN organisations and NGOs. The primary objective of this strategy was to support national health authorities in protecting the health of survivors and other affected vulnerable people by: a) monitoring public health through the provision of early warning of health threats and therefore enabling the timely organisation of any necessary response, and b) supporting the health sector response and assisting in the recovery and rehabilitation of the countries' health systems, including replacement of lost assets and provision of technical expertise. Parallel to these an operational platform was set-up to enable professionals to conduct these activities.

Some of the key achievements include:

- **Communicable disease early warning, surveillance and response:** Early warning systems to rapidly detect, investigate and respond to outbreaks of communicable diseases were promptly established in the affected areas. Teams of surveillance and response experts from WHO and the Global Outbreak Alert and Response Network (GOARN) were deployed to work with the ministries of health and national and international NGOs. Fixed and mobile clinics, hospitals and laboratories reported weekly figures and daily alerts of cases of communicable diseases. No major outbreaks have been identified and the detected cases of diarrhoea, measles, meningitis, jaundice, malaria, fever of unknown origin, acute lower respiratory infection and tetanus have been quickly acted upon. In Aceh, UNICEF supported the vaccination of at least 202,550 children against measles, including through ring vaccination where individual cases were identified;
- **Access to essential health care through assessing and responding to needs:** In addition to rapid health assessments, WHO also coordinated an offshore assessment with partners to the West Coast of Aceh with the aircraft carrier USS Abraham Lincoln as the base of operations. Information on the health needs of affected populations and the damage to the health service infrastructure were shared with all involved in saving lives and supporting recovery. WHO also ensured that laboratories were rehabilitated, supply chains were re-established and cold-chain vaccines could continue to be distributed. In addition to participating in health assessments, UNICEF supported a 13-district nutrition survey in Aceh, and is working to establish nutrition surveillance of children in Sri Lanka;
- **Technical expertise for normative and policy work with regard to essential public health:** WHO provided technical guidance to national authorities, NGOs and other humanitarian actors, on health policy — including the disposal of dead bodies, responses to disease outbreaks, injury treatment, maintaining water quality, dealing with excreta, sewage and chemical threats,

managing chronic diseases, vaccination programmes and maintaining mental health. UNICEF provided technical guidance to national authorities and partners regarding proper breastfeeding practices, and supported the printing of hundreds of thousands of leaflets to relief camps and surrounding communities;

Medical and logistic supply: Within days, WHO shipped 191 New Emergency Health Kits (covering the needs of 1,910,000 people for primary health care for 3 months), 100 surgical kits (providing for 10,000 surgical interventions), 40 diarrhoea kits (to respond to up to 4,000 severe cases if required) and bed nets. Eighty-one cars as well as information technology (IT) and telecommunication equipment were also sent for use in operations in the affected countries. Twenty health logisticians deployed in the field ensured that people, supplies and drugs reached their intended destination promptly. UNICEF provided emergency health supplies to serve 315,000 people for up to three months, midwife kits to serve 9,520 pregnant women, and insecticide-treated bed nets for 225,000 people. It also provided cold chain supplies including 191 refrigerators, 40 freezers, 169 cold boxes, four cold rooms, and over 200 vaccine carriers. In nutrition, UNICEF supplied hundreds of thousands of leaflets promoting breastfeeding and proper nutrition, growth cards, weighing scales, cooking sets, iron tablets, de-worming tablets, and Vitamin A support for over 250,000 children;

- **Coordination of international health response:** From the first day after the disaster, WHO Headquarters and the Regional Office established operation rooms and local in-country offices to monitor activities enable an effective health sector response, and secure best possible outcomes. Daily situation reports were issued to a wide range of partners. A Regional Support Unit was created in Bangkok to coordinate with the Joint Task Force and liaise with regional organisations, donors and military representatives involved in the response to the emergency.

Achievements of the strategy have been made difficult at times due to:

- A highly emotional working environment due to the dimensions of the crisis;
- A tight market for procuring the necessary supplies and expertise due to very high demand;
- Difficult access to certain areas (destroyed infrastructure and landmines in the case of Aceh and Sri Lanka).

WHO funding requirements for its regional activities under the Flash Appeal amounted to US\$ 15,000,000 (originally US\$ 12,200,000). So far, 100% of this amount has been covered by donors' commitments and contributions. This generous response has greatly enabled WHO's relief operations during the emergency.

The UN Population Fund's (UNFPA) strategy in the region is to restore basic reproductive health services in order to reduce maternal and infant mortality and prevent sexually transmitted infections (STIs)/HIV/AIDS, address urgent psychosocial needs to help community recovery, ensure equal access of women and other vulnerable populations to basic needs and promote hygiene.

2.5 Protection, Human Rights, Rule of Law, Integration and Livelihoods

The Food and Agriculture Organization (FAO), as the UN specialised agency competent in the agriculture, fisheries and aquaculture, and forestry livelihoods sectors, took immediate steps to mobilise coordination and technical assistance teams into the field to conduct rapid assessments to identify the immediate rehabilitation requirements of the affected areas. Teams for coordination and technical assistance are still in Indonesia, the Maldives, and Sri Lanka and through the FAO Regional office, in Thailand. Assessments and technical assistance inputs for the other affected countries of Myanmar, Somalia, Seychelles and India are coordinated from FAO Rome through the fielding of technical consultants. Achievements to date include:

- In collaboration with partners from WB and ADB, carried out assessments of damage to crops, farms, stock and equipment; coastal small scale fisheries and supporting infrastructure; aquaculture ponds; and coastal forest areas in affected countries;
- Assisted affected countries assess direct and down-stream impacts of the tsunami in each of the above sectors to identify immediate technical assistance needs for a return to production;
- Coordination and dissemination of these assessment results through its web sites;

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- Development and coordination of donor funding and projects to meet the needs of each FAO sector resulting in specifications, tenders and the initial delivery of goods and services in the agriculture and fisheries and aquaculture sectors, with varying levels of deliveries by country;
- Noting that equipment and gear are not the only needs, has taken a livelihoods approach to work with the small scale coastal fisheries industry to recommence livelihood activities in the fishing, farming, boat building and small scale fish processing sectors;
- Participatory activities to bring government and communities together to develop immediate recovery strategies, identify immediate needs and support for joint activities to address these needs in each of the FAO sectors;
- Direct assistance to governments in all FAO sectors for the development of medium and longer term national development strategies for the above sectors;
- Liaison with the governments resulting in requests from Sri Lanka, Indonesia and Maldives for FAO to take the lead role in the coordination of inter-agency and NGOS inputs into rehabilitation in the FAO sectors, most notably for fisheries;
- Commencement of in-depth, comprehensive and detailed needs assessments by sector as an initial step in the process for project development to secure goods and services for recovery and rehabilitation;
- Finally, noting the critical need for immediate, medium and long term infrastructure needs to support these small scale industry livelihoods, developed emergency, medium and longer term responses and projects in the small scale harbours and community landing sites to get the fishers back to sea with enhanced safety and product protection for better market prices.

FAO is working with the communities to enhance their fisheries, aquaculture and coastal management capacities, enhance safety at sea and of operations, and increase the market value of products while rebuilding their lives, the "more for less" livelihoods approach from beneficiaries' efforts.

FAO, with community and government participation, is taking steps through the Flash Appeal to take preliminary action to prepare for the seamless transition from emergency to rehabilitation and reconstruction phases to rebuild affected coastal dwellers lives.

In Thailand FAO has conducted jointly with the Ministry of Agriculture and Cooperatives (MoAC) of Thailand a "Detailed Technical Damage and Needs Assessment Mission" in fisheries and agriculture/livestock sectors in January. A Regional consortium on the fisheries sector has been established in collaboration with other regional organisations for the coordination of fisheries and livelihood recovery programme. Fisheries and agricultural inputs have been procured and delivered to beneficiaries. FAO has established a collaboration with the NGO network to assist the beneficiaries, as well as provide training and distributing inputs.

Reduction of gender-based violence (GBV) and protection of women and girls are an integral part of UNFPA's tsunami response in the region. During the first phase the focus has been on prevention of GBV by ensuring equal and safe access to basic services, which is being followed by capacity building of relevant stakeholders, especially those at the community level, to prevent and respond to the GBV.

The UN Development Fund for Women's (UNIFEM) programme builds on its long history of work with women's organisations and networks worldwide. It emphasizes quick impact projects, building on existing women's associations and networks, as well as initiatives to build capacity to better protect and promote women's human rights during the first year of relief and reconstruction. To date, UNIFEM has received commitments and contributions of US\$ 2,717,286 (out of a total appeal for US\$ 3,587,500) for its programme. The following outlines the current status of UNIFEM's programme in three priority areas.

- **Leadership:** UNIFEM has supported local women's leadership and mobilised women's networks to give them a voice in the relief, recovery and reconstruction efforts, and to provide financial support to enable women's organisations to respond to women's needs quickly. In both Aceh and Sri Lanka, UNIFEM Gender Advisors are in place and collaborate with government, UN and international NGOs representatives to ensure that the perspectives of women's associations and networks are part of mainstream relief and recovery efforts, and the reconstruction planning processes. Rapid appraisal and mapping of women's associations, organisations and networks in affected communities is underway in Aceh, Sri Lanka and Somalia.

- **Livelihoods:** UNIFEM has helped revive women's livelihoods by working to restore their productive assets, processes and supply chains; strengthening market links, and helping them access reconstruction assistance. Particular attention will have to be paid to female heads of households and widows. UNIFEM's interventions focus on psychosocial support that will address the mental health needs of women and will link to providing them livelihood options. This activity will focus on training of trainers to ensure sustainability. UNIFEM will also support capacity building for restoring, strengthening or imparting new livelihood skills linked to market access.
- **Protection:** Working in collaboration with other UN agencies, governments and women's networks UNIFEM seeks to develop the capacity of women's groups to advocate for the protection of women and girls from human rights violations during the relief, recovery and reconstruction period and beyond, including the development of early warning tools for women in the context of ongoing conflict. A similar strategy involving governmental agencies, UN agencies and NGOs is being pursued in Sri Lanka.

ILO, which focused on early economic recovery and restoration of livelihoods, launched programmes aimed at boosting new entrepreneurship and employability of the tsunami-affected populations. It also addressed the needs of the most vulnerable against discrimination and abuse and implemented action programmes to avoid forced labour and the exploitation of children. Emergency public employment services, which the ILO put in place, are an important contribution to revival of the local economies and to rebuild livelihoods.

Coordinating the international response in child protection, UNICEF's priorities have focused mainly on identifying and registering unaccompanied and separated children, the prevention of trafficking, exploitation and abuse, and the provision of psychosocial support for children and communities affected by the tsunami. UNICEF is supporting national governments to strengthen their protection responses, providing technical guidance and support and training national authorities, local law enforcement, NGOs and other partner agencies in child protection. UNICEF is also providing training to teachers, parents and community leaders to provide psychosocial support to address trauma remaining from the tsunami. UNICEF has also coordinated sector efforts leading to a common system for registering separated children, tracing and family reunification in Indonesia and Sri Lanka.

In Indonesia, UNICEF and its partners have established 17 children's centres to provide psychosocial support and trace separated children. More than 11,000 children benefit regularly from these services. To date, at least 1,069 separated children have been registered, and 29 reunited with their families. In Maldives, UNICEF, UNFPA, and the International Federation of Red Cross and Red Crescent Societies (IFRC) are training more than 300 teachers in psychosocial support. In Sri Lanka, UNICEF, ILO and Save the Children conducted a joint tracking exercise to identify separated and unaccompanied children; to date, 28 unaccompanied children, 1,169 separated children and 3,725 children who lost one parent have been identified. Long-term fostering arrangements have been approved for 126 children. UNICEF Sri Lanka has trained more than 150 psychosocial support workers. Throughout affected areas, UNICEF has distributed recreation kits to serve over 290,000 children, and has dispatched thousands of family kits for separated children and their caregivers.

2.6 Security

The regional scope of the tsunami disaster – up to 12 countries affected, many of those registering deaths and displacement in the thousands – required a response in part on a regional scale. Logistics, procurement, coordination, information systems, resource allocation, and management conducted at a regional level significantly improved the efficiency and effectiveness of the aid response. The projects that operated on a regional plane include food aid, joint logistics and air services, coordination, regional health, technical support, early warning systems, management, monitoring and evaluation, protection and human rights, capacity-building, and security for humanitarian operations.

After the tsunami, the UN Department of Safety and Security (UNDSS) deployed experienced staff to facilitate the humanitarian effort in affected areas. Within one week UNDSS had produced Security Risk Assessments that were critical to ensuring the safety of staff and operations. Security Plans, Standard Operating Procedures, Minimum Operating Security Standards (MOSS) compliance, Medical

Evacuation Plans and other contingency plans are in place and continue to be developed. Over 50 security incidents have been managed. Staff-tracking mechanisms are in place. Communications networks were established working closely with WFP and are being upgraded.

Existing staff members have benefited from a series of training sessions. New staff members receive briefings upon arrival (average of 8 per day). A boat and associated safety equipment is identified and being prepared for delivery. Liaison with authorities and counterparts in all affected countries and regions continues on a daily basis.

- **Maldives:** Provision of funds to provide a boat, safety equipment and crew for a 12 month period – boat is now under order;
- **Sri Lanka:** Field Security Officer (FSO) has identified providers of communications upgrades and commenced purchase agreements. Additional local staff (security assistant) has been identified;
- **Indonesia:** Elements for security coordination cell and communications centres have been identified and costed for procurement and implementation. Office spaces have been identified in Sumatra. Additional assistant Field Security Officers (AFSCOs) have been identified and recruitment process is underway.

Priorities to be addressed

Indonesia

- Deployment of two AFSCOs in Sumatra;
- Implementation of the security coordination cells and associated communications centres;
- Development of the security offices in Sumatra.

Sri Lanka

- Employment of upgraded communications equipment and capacities.

Maldives

- Training of crew and staff and utilisation of the boat as a security and operational service.

Timeline for implementation

- Deploy AFSCOs in Sumatra – April-May;
- Establish security offices Aceh – April;
- Establish Communication Centres – May;
- Establish Coordination cell in Jakarta – April-May;
- Accept boat – Maldives – April;

3. CHANGES IN THE CONTEXT AND ASSOCIATED CONSEQUENCES

3.1 Coordination and Support Services

Coordination

In addition to continuing previous activities, OCHA's priority is to encourage the transition from relief to recovery and reconstruction by linking with development actors to ensure a gradual handover of activities. To this end, OCHA will facilitate the development of a strategy to implement and monitor the transition process, which will include continued collaboration with Humanitarian Coordinators to ensure appropriate capacity building is met before OCHA reduces its presence in the field.

An information management unit will be established within the office to map areas of humanitarian needs and response activities and make available a variety of information products related to *inter alia* disasters, emergencies and financing. The office will continue to help strengthen regional coordination and information sharing mechanisms and support CTs in the affected countries during the recovery phase in order to ensure a coordinated handover to UNDP and other development partners during the latter half of 2005.

Early Warning

The ISDR-coordinated project has been well supported, with about US\$ 5,800,000 received or committed. The two main priorities at present are (i) to maintain the momentum of the process led by UNESCO-IOC to coordinate the establishment of the tsunami early warning system foundations, and (ii) to plan and coordinate the more complex multi-agency tasks of building awareness, preparedness and confidence in dealing with tsunamis in countries.

UNESCO/IOC will organise the 2nd International Coordination Meeting for the Development of an Indian Ocean Tsunami Warning and Mitigation System (Mauritius, 14-16 April 2005) where high-level delegations will consider and seek coordination of plans and activities for the tsunami warning system and will seek donor support for the next phases of development concerning the observing system, national tsunami centres, and regional cooperation mechanisms.

ISDR is facilitating project work on awareness and preparedness by a range of UN entities and regional bodies that engage with and support authorities and organisations in countries. The main focus is on coordination and support, but specific studies and demonstrations will also be undertaken. The ISDR secretariat is establishing a temporary office in the region to directly interact with and support countries and UN offices, and will also promote the inclusion of disaster risk reduction initiatives within recovery and reconstruction activities. The OCHA Regional Office and UNDP regional staff will also contribute to the establishment of national early warning centres and the development of early warning systems.

UNDP's efforts will be complementary to the regional and international efforts at developing tsunami early warning systems. In a multi-hazard context, this will focus on capacity assessment and strengthening of people-centred national and local early warning systems (EWS) with a focus on preparedness, awareness raising, communication and dissemination capacities. US\$ 1,260,000 has been allocated from received/committed funds.

3.2 Water and Environmental Sanitation

From the earliest stages of the emergency, it was clear that water and sanitation was one of the most pressing concerns. In its capacity as sector leader, UNICEF, in conjunction with a wide variety of UN and NGO partners, quickly identified three key priorities: a) providing for critical drinking water needs; b) ensuring access to sanitation facilities that meet or surpass Humanitarian Charter and Minimum Standards in Disaster (SPHERE) standards; c) supporting government departments and community-based organisations to effectively deliver, operate and manage water and sanitation services. UNICEF rapidly deployed staff from headquarters and regional offices to buttress country-level capacity in support of these activities.

Achievements so far include

Critical drinking water needs met: Through the concerted efforts of a vast number of partners, safe drinking water is available in sufficient supply in almost all affected areas. In Indonesia, UNICEF is directly supplying approximately 24,000 people with 120,000 litres per day of safe water, and is providing financial and technical support to a major municipal water treatment plant in Banda Aceh that accounts for 85% of treated water delivered to IDP camps and host communities. In Sri Lanka, 15 litres per person per day are reaching IDPs in camps in all affected districts but two (Batticaloa and Trincomalee, where efforts are underway to reach the benchmark), and UNICEF has cleaned nearly half of all contaminated wells. UNICEF Myanmar provided over 9,000 people with access to safe water, rehabilitating 145 wells and providing 20 water tanks. And in Maldives, UNICEF supplied 116,000 litres of water on 45 islands, and is now in the process of distributing 23 reverse osmosis (RO) desalination plants and 2,500 high-density polyethylene tanks in order to improve long-term water security.

Sanitation facilities vastly improved for IDPs and communities: The international response in sanitation has contributed to a significant improvement in sanitation conditions, particularly in recent weeks. In Myanmar, UNICEF has provided latrines for over 2,000 people. In Sri Lanka, approximately half of IDP camps already meet SPHERE standards for sanitation. Most families have received soap and washing buckets, and 75% of IDPs have been reached with sanitation messages. Furthermore, 3,000 squatting plates for toilet construction were procured and six gully emptiers and 60 pumps for

the cleaning of wells have been distributed. In Indonesia, UNICEF has constructed and rehabilitated 350 pour-flush toilets and washing/bathing facilities to serve 17,500 people. It is also providing on-site sanitation services compliant with SPHERE standards in 60 sites serving 25,000 people. UNICEF Indonesia has initiated hygiene promotion campaigns in the 15 largest IDP camps in Banda Aceh, which will reach 30,000 people. In partnership with the Indonesian Red Cross, 64 trainers were instructed in hygiene and sanitation promotion.

Water and sanitation supply: UNICEF Sri Lanka has distributed 16 water bowsers and 285 water tanks, 100,000 bottles of water, 50 tonnes of water treatment chemicals, 25,000 water purification kits, 109,000 bars of soap and 5,000 buckets, 16,000 hygiene kits and 200,000 hygiene promotion leaflets. In Maldives, UNICEF has procured 30 de-sludging pumps and 30 de-watering pumps, and has distributed 8,200 water and hygiene kits, as well as providing bottled water and water bladders on 45 islands. UNICEF Indonesia has distributed 32,706 hygiene kits, 909,000 sachets of oral re-hydrations salts and over 750,000 water purification tablets.

Coordination of international water and sanitation response: From the very early stages of the emergency, UNICEF has held sector coordination meetings with a wide array of partners in order to map out response, track progress, share information, identify gaps, and ensure that there is no overlap or duplication of efforts. While coordination of the water and sanitation response has been an enormous challenge given the large number of agencies involved and the sheer scale of the needs, it has nevertheless been overall very successful. As affected areas move from relief to recovery, UNICEF is supporting affected governments to strengthen their leadership roles.

3.3 Education

UNICEF and its national, international and NGO partners have promoted schools as a crucial entry point to provide not only education, but nutrition, health and protection support. UNICEF-supported back-to-learning campaigns throughout affected districts consisted of school repairs; provision of school supplies, furniture and uniforms, and information campaigns in relief camps and nearby communities to ensure children and their families took advantage of the opportunities available to them. In addition, UNICEF and partners trained and supported teachers, who in some areas made up a significant proportion of the casualties from the tsunami.

Achievements so far include

Return to learning: Schools reopened on 4 January in Thailand, on 17 January in India, on 25 January in Indonesia and the Maldives, and during the first week of February in Sri Lanka. Whether in cleaned and repaired school buildings or in temporary structures, children were able to return to a sense of normalcy and interact with their peers and teachers, both of which were crucial to psychosocial recovery. UNICEF and partners rebuilt water and sanitation facilities in schools, repaired schools and cleared them of rubble and refuse, and provided teachers with living quarters and stipends to ensure they were able to teach.

Education supply: UNICEF provided school supplies to over 700,000 children in affected areas. In Sri Lanka, it supplied school furniture for 45,250 students, exercise books for 153,000 children, and uniforms for 107,000 children. In addition to school-in-a-box kits and furniture, UNICEF Indonesia supplied 38,800 textbooks and provided 140 school tents. In Maldives, UNICEF funded the construction of 39 temporary classrooms and 15 teachers' quarters, and provided financial support for the Government of Maldives to temporarily field teacher trainees for one month while the Ministry of Education (MoE) conducted urgent recruitment.

Coordination of international education response: UNICEF has provided key support to national authorities to coordinate their education response. In Aceh, regular coordination meetings initially presided over by UNICEF are now operating under the direct leadership of the Government of Indonesia, with UNICEF providing technical and secretariat support. In all affected areas, UNICEF is working with partners to map response and ensure smooth programme delivery.

3.4 Economic Recovery and Infrastructure

The main priorities of UNDP's regional support to the end of this appealing period remain in line with the original appeal. In total, US\$ 6.95 million have been received/ committed to date. These funds have been allocated as follows:

Coordination: Supported the coordination of recovery and risk reduction at the national level through the design and dissemination of appropriate tools for periodic needs assessments, monitoring and evaluation and multi-stakeholder coordination. Based on the existing and emerging needs of the recovery programmes in the affected areas, generic tools and guidelines will be developed for the affected region, which will then be contextualised for each country for implementation. US\$ 650,000 allocated from received/committed funds.

Multi-hazard risk assessment: Through a regional effort guidelines will be developed for undertaking multi-hazard risk assessments that will be an input to planning and implementation of recovery programmes in the affected areas. At the national level, this effort will bring together relevant national institutions (and where required external expertise) to support these assessments. This effort will also establish systematised disaster inventories that capture the impact of the recent tsunami at a higher resolution in order to understand differential vulnerabilities, differential impacts and differential local capacities for recovery. Such an effort will facilitate a better informed recovery planning and implementation process at the local level. These systems will outlast the recovery phase and will be institutionalised as information systems to continually assess disaster risk and incorporate it into development planning. US\$ 720,000 allocated from received/committed funds.

Capacity building: This will include two sets of initiatives: (a) The UN Disaster Management Training Programme (DMTP) will carry out training for UN Disaster Management Teams and national authorities to strengthen their response and recovery capacities. US\$ 650,000 allocated from received/committed funds. (b) The sharing of recovery lessons learned across the region, identification of good practices and the development of recovery tools for programming, assessment and results monitoring. US\$ 470,000 allocated from received/committed funds.

In the Maldives the development of a strategic recovery framework is still outstanding and a priority. It will provide guidance and direction to the country's recovery process and ensure broad public consultations on the recovery objectives and implementation arrangements. US\$ 400,000 allocated from received/committed funds as this component has not received any pledges under the Maldives appeal to date.

Subsequent to the tsunami, incorporating disaster risk management concepts in recovery and reconstruction efforts has been increasingly viewed as a critical opportunity to rebuild and transform the contexts of vulnerability experienced across the disaster affected areas. The UN recovery framework for India emphasises the following critical areas towards which such efforts need immediate assistance of approximately US\$ 2.5 million to achieve an integrated and sustainable process of recovery while establishing mechanisms for future preparedness: multi hazard risk assessments need to be urgently conducted in the affected coastal areas; information, communication and public awareness mechanisms need to be made functional and effective; local level mechanisms for early warning systems have to be strengthened in coastal districts. These initiatives are strategically placed to address transitions from short to medium term recovery.

Disaster Risk Management and Information and Communication Technology: Although the Government of India did not request financial support for humanitarian assistance, it is welcoming support in the area of recovery. In response to this, the UNCT in India has developed a recovery framework in support of the Government of India for a post-Tsunami rehabilitation and reconstruction programme. The regional programme will provide assistance in the following areas:

- (a) Incorporating disaster risk management into recovery and reconstruction: Subsequent to the tsunami, incorporating disaster risk management concepts in recovery and reconstruction efforts has been increasingly viewed as a critical opportunity to rebuild and transform the contexts of vulnerability experienced across the disaster affected areas. The UN recovery framework for India emphasises the following important areas towards which such efforts need immediate assistance of approximately US\$ 4.35 million to achieve an integrated and sustainable process of recovery while establishing mechanisms for future preparedness: multi

hazard risk assessments need to be urgently conducted in the affected coastal areas; information, communication and public awareness mechanisms need to be made functional and effective; local level mechanisms for Early Warning Systems have to be strengthened in coastal districts. These initiatives are strategically placed to address transitions from short to medium term recovery;

(b) **Information and Communication Technology:** Further, and closely linked to operationalising Disaster Risk Management, is the effort towards incorporating Information and Communication Technology (ICT) tools and solutions into recovery and rehabilitation efforts. The budget support required for effectively targeting ICT solutions in this regard, is approximately US\$ 3.05 million for implementing the following strategies at the earliest: provision of necessary technical expertise for the development and deployment of ICT solutions; hardware, software, connectivity and initial maintenance costs; capacity building for ICT partners on a sectoral basis; and provision of infrastructure for about 100 community ICT kiosks.

3.5 Food

Damage, loss of life and the need for food assistance is less acute in the Maldives and Thailand, where WFP is starting a short-duration emergency school feeding and targeted feeding programmes. In Myanmar, the need for relief is thought to be limited and will be accompanied by a small-scale rehabilitation programme. In Indonesia, where damage is significantly more extensive, the Government is promoting three basic phases in terms of relief (up to June 2005), rehabilitation (up to end of 2006) and reconstruction (starting 2007). Along these lines, WFP is continuing with relief food distributions, while gradual phasing in rehabilitation activities in terms of supplementary feeding of vulnerable groups and FFW activities. In Sri Lanka, WFP is working with three broad operational phases. Under **Phase I – Acute Emergency** [Jan-Feb], WFP and its partners responded with relief distributions. Supplementary feeding is planned in Indonesia and will commence by April in Sri Lanka. Those moving home during this period will be supported through emergency food-for-work (FFW) aimed at debris clearing and the rehabilitation of housing / basic community infrastructure. Under **Phase II – Transition to Rehabilitation and Recovery** [Mar-Jun], as the situation stabilises, relief distributions will be further reduced in favour of FFW activities, supporting the resumption of livelihoods. Under **Phase III** [July onwards] WFP will contribute to recovery efforts led by the respective governments.

3.6 Health

Since the Flash Appeal was launched, the needs of the affected population have transitioned from emergency relief towards rehabilitation and longer-term response, which will require more than the original six months time period to carry out planned activities. In Aceh and several districts in Sri Lanka for instance, movements of IDPs have posed challenges to the implementation of health and health-related projects. Moreover, the political context of these areas has affected the pace of implementation of these projects.

Further assessments have also revealed the necessity to address the underestimated traumatic impact of the tsunami with additional psychological support.

At the same time, the local authorities have now increased their leadership and management roles in the response. WHO's role, which remains closely related to ministries of health, is shifting towards strengthening capacities.

Finally, the large scope of the response operation covering several countries and involving a large amount of various projects requires sound coordination and tight monitoring. WHO regional activities are meant to address the current, medium and long-term needs in the affected areas and as such planned and implemented with that vision. The following priorities have been identified for activities to be carried out until the end of December 2005:

- **Health Protection and Disease Prevention:** Threats of disease outbreaks remain and continued vigilance through efficient and effective disease surveillance systems must be ensured. Provision of quality information on health status with the establishment of health information system using maps as management tools is required in order to build longer-term surveillance system;

- **Health Policy and Coordination:** The tsunami is seen as an opportunity for the health sector to improve the quality of its response in future crisis situations. In this context, a critical evaluation of the achieved relief work and lessons learnt exercise are key. Ensuring a cohesive response from all health actors is an important aspect of WHO's role in the months to come;
- **Health Services Delivery:** Primary responsibility in this domain lies at country level, especially with regard to nutrition, immunisation, reproductive and women's health, maternal and child health, care for chronic non-communicable diseases and mental health, safe water and sanitation, family planning, and HIV/AIDS programming. However, a regional approach to health work forces in affected countries is needed so as to further enhance delivery of basic health services. Technical, managerial and administrative guidance and support for project implementation through monitoring and tracking is also indispensable.

3.7 Protection, Human Rights, Rule of Law, Integration and Livelihoods

Although UNIFEM's programme is in the early stages of implementation, it is already apparent that the needs are vaster than can be addressed through this programme alone. Many of the activities that are being implemented under the auspices of UNIFEM will serve as models for larger scale interventions that can be implemented with its partners.

Livelihoods

The tsunami severely disrupted the lives and livelihoods of coastal communities that depend mainly on water and land based resources. FAO conducted preliminary assessments that have provided valuable information on the extent of damages to various sectors (fisheries, agriculture, forestry, livestock, etc.) and their rehabilitation needs. These studies have also demonstrated that initial assessments of the damages and their rehabilitation needs have been underestimated. Moreover, it is still unclear to what extent the available resources will be able to support the livelihood of the coastal communities. Thus, it is critical to identify the appropriate recovery interventions and to implement them to protect and restore the livelihoods of the coastal communities. There is a clear need for greater guidance in the fishery assistance and rehabilitation process before the commencement of the rehabilitation phase. This guidance is necessary both for the elaboration of national rehabilitation strategies, and also as guidance to the many other actors that are involved in the assistance and rehabilitation process.

At the two regional workshops on the fisheries and forestry sectors rehabilitation strategies convened by the FAO Regional Office for Asia and the Pacific late February/and early March, participants from governments, international organisations, NGOs all clearly indicated the need for resource assessments and improved integration of this information into both national planning and local level activities. At these regional meetings, and more recently at global meetings in Rome, affected countries have requested additional assistance to carry out rehabilitation and reconstruction activities. In particular, the governments of India, Seychelles, Somalia and Thailand have requested technical assistance. These requests are contained in two Ministerial Declarations endorsed by Ministers of the affected countries.

In the agricultural sector preliminary assessments have provided valuable information on the types of damages to land and water resources such as soil salinity due to sea water intrusion, deposition of saline sediment, destruction of irrigation and drainage facilities, loss of water resources and loss of human resources. An integrated approach is needed to address these issues to restore the agricultural production capacity and enhance the livelihoods of the affected coastal communities. The main challenge now is to identify and implement in a participatory manner suitable interventions best suited to the local agro-ecological and socio-economic conditions to reclaim lands and restore agricultural production.

Property rights and access to resources have always been unclear in these areas and the tsunami has now greatly increased this problem. In many of the affected countries there is a need to better understand the issues and requirements for dealing with the issue of loss and lack of tenure, particularly for widows and orphans, encroachment on state land and the more effective planning and zoning of coastal activities.

Relief operators have to work over many sites along a coastline spread over hundreds or even thousands of kilometres very often difficult to access. Both relief operation during the rest of the year and medium to long-term rehabilitation require reliable and accurate geographical or geospatial

information including information on the state of resources, land tenure and location of the ongoing interventions. Although a number of geographical data have been made available by agencies over the Tsunami area (e.g. OCHA, the UN Environment Programme (UNEP), the UN Office Satellite (UNOSAT), national institutions), a recent survey showed that these data are not systematic, dispersed amongst organisations and not well related to fisheries, forestry and agriculture sectors. Importantly, the form of this information is not at a scale that is suitable for the management of field projects.

FAO's proposal therefore will focus on services to address the need for a cross-cutting approach and strategy, taking into consideration national rehabilitation strategies to move from the direct provision of equipment to meet emergency relief requirements to the more realistic and longer term rehabilitation and reconstruction through longer term coordination and gradual mainstreaming of rehabilitation into development activities and programmes for each country in the FAO specialist sectors. The attached FAO initiatives will assist affected countries in making a smooth shift into the medium and longer term phases.

The Mid-Term Review (MTR) has given FAO the opportunity to reflect the real needs in the affected region after the tsunami. Since the last Flash Appeal, FAO has had the time to conduct more thorough assessments for emergency and early recovery in the sectors within its mandate such as agriculture, livestock, fisheries, forestry and livelihoods of communities depending on these sectors. In view of these assessments, and of the extension of period of project implementation until end of 2005, FAO has increased its appeal by revising the current projects already within the flash appeal and including new projects covering new sectors which were not covered in the first appeal.

In Sri Lanka FAO has been selected by the Government and by the WB/ADB/Japan Bank for International Cooperation (JBIC)/Japan International Cooperation Agency (JICA) Needs Assessment Group to be the official coordinator of fisheries in Sri Lanka. FAO has instituted regular NGO/Donor Coordination Meetings in the fisheries and agricultural sector. A joint FAO – Ministry of fisheries working group on fisheries sector rehabilitation has been established to coordinate relief efforts for the fisheries sector. FAO has fielded technical missions on land tenure, soil salinity, agriculture and fisheries specific assessments to the North-East Province, and plans are being completed for the agricultural campaign for the next rainy season.

FAO has supplied boat repair kits to boatyards through the Ministry of Fisheries to help restore the livelihoods of thousands of Sri Lankan fishers. The repair kits are going to boat yards set up around the country by the Sri Lankan government to repair those vessels salvaged by the surviving fishermen. FAO continues to repair boats and engines. The types of boats repaired range from small lagoon canoes to larger multi-day boats. In cooperation with the government boat-building and repairs agency CeyNor, 3,130 different kinds of boats and outboard motors have now been repaired. FAO has drawn up and distributed detailed specifications for fishing gear for NGOs buying such equipment in the different regions of Sri Lanka. FAO has produced 28 tonnes of registered rice seed. Another 425 tonnes of certified rice seed has been produced. These will be distributed to more than 10,000 vulnerable farmers in the conflict affected region of the North.

3.8 Multisector

HIV/AIDS

Many of the conditions that facilitate the spread of HIV are worsened in post-disaster contexts as overstressed health services, increased poverty due to loss of income and properties, powerlessness and social instability. Experience from other emergency situations show that increased vulnerabilities can change the incidence of STI/HIV/AIDS. Groups particularly vulnerable to HIV infection in the post-disaster situation are: Women and girls, children, migrant populations (especially illegal migrants) groups or individuals whose vulnerability arises from risk behaviour (i.e., Commercial sex workers (CSW), men who have sex with men (MSM), Injecting drug users (IDU), clients of sex workers (including transport and construction workers); and humanitarian workers (including uniformed services). The main objectives of the UNAIDS project are to ensure that tsunami response activities do not exacerbate the affected populations' vulnerability to HIV transmission, and to ensure that the provision of care and treatment services for those affected and infected by HIV are rehabilitated to pre-tsunami levels.

The countries severely affected by the tsunami have varying levels of national HIV prevalence, ranging from adult prevalence in Indonesia (0.1%) and Sri-Lanka (less than 0.1%) to more prominent levels in India (0.9%) and Thailand (1.5%) (UN Programme for HIV/AIDS (UNAIDS), 2004). Although, the pre-existing HIV/AIDS situation in the affected countries is documented, significant work must be done to accurately assess and monitor infection and vulnerability to HIV in the post disaster and reconstruction phases. HIV/AIDS intervention requires a multi-sectoral, coordinated response between all key groups at the local, national, regional and international levels to ensure HIV activities are mainstreamed into all sectors at country level.

Environment

In order to understand the environmental impacts of the disaster, acute environmental risks with immediate relevance to human life and response efforts were assessed by the Joint UNEP-OCHA Environment Unit (Joint Unit) working in collaboration with UN Disaster and Assessment Cooperation (UNDAC) and UN country teams in Indonesia, the Maldives and Sri Lanka.

Based on the results of this work, additional environmental assessments were conducted by UNEP and its national partners in Indonesia, the Maldives, Seychelles, Sri Lanka, Thailand, and Yemen to determine medium-longer term impacts on natural resources, as well as to identify critical recovery and rehabilitation needs. Assessments conducted by the World Conservation Union (IUCN) and the Global Conservation Organization (WWF), and their various NGO partners were also included in this process.

Together, these various assessments highlighted a number of important environmental issues:

- **Waste:** In the short term, the single largest environmental issue caused by the tsunami relates to the massive amounts of wastes that were generated. Critical natural resources, including groundwater, air and soil, are now threatened by contamination. The response from both the national governments and the international community is not uniform with some clean-up schemes are actually further degrading the environment (e.g. the mixing of asbestos waste with building rubble). Promising pay-for-work waste management projects have, however emerged in Sri Lanka and Indonesia with support from UNDAC, the Joint Unit, UNDP, and others. Technical support for waste management has also been identified by each of the impacted countries as a critical need in order to identify and address risks to human health and the environment and to maximise resource recovery (recycling of building materials, provide livelihoods). UNEP will facilitate the development of a UN strategic approach by developing a tsunami waste management strategy and providing training to national environmental authorities. At the same time, urgent needs in areas such as managing sewage and sanitation, reducing environmental risks in IDP settlements, and conducting re-mapping and project screening must be addressed. Measures to address these needs were recommended by the Joint Unit and the information disseminated to donors and the international community to support resource mobilisation and decision-making. The Joint Unit, UN High Commission for Refugees (UNHCR) and CARE are now undertaking specific activities such as the development of guidance tools to reduce environmental risks in IDP settlements;
- **Water and Soil:** Impacts to groundwater and soil quality depended upon a number of factors including local soil conditions, the length of time the wave inundated the land, and proximity to septic tanks and pit latrines. In some cases, it is impossible to differentiate pre-existing contamination from tsunami-related impacts due to the absence of consistent and good quality baseline data. What is known is that groundwater and soils in nearly all of the countries was contaminated by salt, and in some cases also by faecal bacteria due to damage to sanitation systems. The extent of the contamination is still being assessed, as are options for risk reduction and rehabilitation;
- **Ecosystem Services:** The preliminary environmental assessments have shown extensive, but uneven, damage to the ecosystems that acted as the first line of defence from the tsunami, such as coral reefs and mangroves. In general terms, where these ecosystems were in-tact and healthy, they served as a natural buffer from the power of the wave, and limited the amount of damage. Where these features were either severely degraded or completely removed, the tsunami was able to smash its way on to land and devastate coastal communities. Healthy coral reefs in shallow waters do not appear to have been significantly damaged by the force of the first wave. Instead, the majority of damage appears to have come from the tons of rubble and

waste that was washed back out to sea. In addition, much of the sand, sediment and soil that was stripped from beaches and agricultural areas was directly deposited on healthy reefs. Urgent measures are needed to remove the waste and sediment from the corals to protect against further damage and to maintain ecosystem health, and fish productivity;

- **Environmental infrastructure and industrial sites:** Much of the environmental infrastructure, such as water and sanitation systems, solid waste disposal sites and waste treatment centres, was damaged, particularly in urban areas. Damage to this infrastructure created additional secondary risks from waste and sewage. There was minimal damage to industrial sites, except in Aceh, Indonesia;
- **Resource-dependent livelihoods:** Disproportionately many of the victims of this disaster were poor people who depended on ecosystem services and natural resources for their livelihoods. Where such sources of income and food were unsustainable prior to the tsunami, it would be regrettable if the opportunity is not taken to find sustainable alternatives. Many victims were involved in fisheries for a living. Particular attention needs to be paid to improved management of coastal fisheries, including control of blast fishing, destructive fishing gear, cyanide fishing, and physical destruction of coral reefs. The sustainable balance between mangrove forests and aquaculture in the coastal areas must be re-established, and small-scale operators mining coral sand or making cement from coral reefs will need to be helped to find alternatives;
- **Environmental Risks of Reconstruction:** There are a number of potential environmental risks associated with the recovery and reconstruction phases that have been identified by the assessments. Issues such as deforestation to meet timber demands for reconstruction, inappropriate routing of transport routes, haphazard groundwater drilling or poor waste disposal practices could all lead to long term environmental damage that would increase vulnerability to natural disasters and undermine both sustainable development and poverty reduction.

As the recovery and restoration phases gets underway, mainstreaming environmental concerns is a prerequisite for sustainable reconstruction and for achieving the Millennium Development Goals. A key feature of the rehabilitation and reconstruction must be to ensure the sustained livelihoods of the people in the areas affected by the disaster and to empower civil society to engage in the reconstruction process. Major projects are needed in all affected countries to address environmental risks to human health and livelihoods, to restore ecosystem goods and services, to plan environmentally sound reconstruction, to develop sustainable livelihoods and to build capacity of the environmental authorities.

4. REVISIONS TO THE COMMON HUMANITARIAN ACTION

4.1 Food

Distribution: In Indonesia, the Government has made WFP responsible for food aid deliveries to all Tsunami affected populations. In doing so and reaching out to beneficiaries, WFP has partnered with the following aid organisations the Indonesian Red Cross (PMI), Save the Children Fund-US (SCF/US), Catholic Relief Services (CRS), CARE, World Vision (WV), Action Against Hunger (ACF), HELP and Muhammadiyah. In Sri Lanka, the Maldives, Thailand, and Myanmar, local authorities and NGOs carry out relief distributions, monitored by WFP. Further partners are currently being identified for rehabilitation and recovery.

Phase II (March-June)—Transition to Rehabilitation and Recovery

- Improved targeting and reduction in relief distributions with return of IDPs to home locations;
- Expansion of supplementary feeding and FFW; increased focus on recovery of livelihoods;
- Mid-year Emergency Needs Assessments / nutritional assessment.

Phase III (July-December)—Recovery

- Longer-term FFW projects with higher technical input aimed at asset creation and rebuilding of livelihoods;
- Possible continuation of Vulnerable Group Feeding / nutritional interventions.

Strategy for Rehabilitation and Recovery: Rehabilitation/recovery activities will commence in parallel to relief distributions. Initially, FFW will be focused on feeding people, not on activities with high technical input, while they clear debris and rebuild their homes and livelihoods (emergency FFW). In many cases, FFW programmes will run in parallel with nutritional interventions, such as supplementary feeding, mother-and-child health programmes and emergency school feeding, aimed at containing the already fragile nutritional status of the affected population.

A longer-term strategy and analysis of the potential role for food aid in recovery is being developed. Governments will lead reconstruction efforts and WFP is starting to actively engage in governments' planning processes, together with other partners [UN agencies, World Bank, ADB, etc].

4.2 Health

Due to the evolving context, WHO is planning to focus on three additional broad priority areas of regional activities that remain consistent with the objectives identified initially:

Health Protection and Disease Prevention

- Further strengthening disease surveillance systems;
- Establishment of health information systems used as management tools.

Health Policy and Coordination

- Lessons learnt workshops for staff involved in the relief phase of the response to the Tsunami to critically review and analyse WHO performance;
- Organisation of a conference on the health aspects of the tsunami disaster co-hosted by Royal Thai Government and to take place in Phuket, Thailand on 1-6 May 2005;
- Consolidating and Coordinating Regional Support to implement the country work plans in terms of technical, information, logistic and organisational aspects.

Health Services Delivery

- Strengthening of nursing and midwifery, which forms the base of the health workforce in the affected countries, so as to further enhance delivery of basic health services;
- Strengthening of project management through technical and administrative support for monitoring and tracking.

4.3 Protection, Human Rights, Rule of Law, Integration and Livelihoods

UNIFEM's programme focuses on recovery and reconstruction, as well as on developing the long-term capacities of government agencies and women's groups to respond to crises. Activities will be extended until December 2005.

5. PROJECTS AND BUDGETS

5.1 Coordination and Support Services

Coordination

Technical assistance is provided to the government to first meet priority humanitarian needs, and reduce risks especially as they relate to vulnerable groups. Further technical assistance priorities relate to issues of livelihood and environmental recovery. All projects have been analysed as to implementation capacity within the required time frame, and preference has been given to projects that coincide with long-term development priorities.

UNDP proposes a project that would facilitate two tasks. Firstly, the project would aid in the transfer of the coordination support from OCHA to UNDP in the three most affected countries: Indonesia, the Maldives, and Sri Lanka. The second component of the project would help in the development of a consolidated regional tracking mechanism, as agreed to during the ADB meeting of 18 March 2005 in Manila. This system will capture all forms of aid, including official development assistance as well as nongovernmental organisation and private sector support for reconstruction and development.

INDIAN OCEAN EARTHQUAKE – TSUNAMI 2005
MID TERM REVIEW OF FLASH APPEAL

Early Warning

The original budget of US\$ 8 million was exceeded by the offers of support, currently from Japan, the European Commission, Sweden, Norway, Finland, and Germany, and has been revised to US\$ 11 million. Some donors have indicated that their support can extend into 2006 if needed. In addition, UNESCO/IOC has presented to the Mid Term Review a complementary proposal for US\$ 12 million in order to fast-track the implementation of an interim tsunami warning system for the Indian Ocean and the initial development of a permanent, operational tsunami warning and mitigation system within a multi-hazard and global framework.

COORDINATION / SUPPORT SERVICES / LOGISTICS		US\$
OCHA TSU-REG-05/CSS04-REGION REVISED PROJECT	Project Title: Regional Humanitarian Coordination for tsunami Response Aim: Ensure that humanitarian action in tsunami-affected countries is supported and coordinated for optimal efficiency, effectiveness, and speed. Beneficiaries: Aid agencies operating in the region in response to tsunami, and their beneficiaries in turn Partners: Governments; NGOs (international and local); UN Agencies	Original: 5,323,000 Revised: 6,974,925 Reason: Extension of activity through December 2005
	Project Title: Coordination & Support Services for tsunami Affected Countries and for UNICEF's Global and Regional Response. Aim: To ensure provision of effective coordination and support to tsunami affected countries and to UNICEF's global and regional response. Beneficiaries: Total: Millions of women and children affected by the tsunami disaster in Indian Ocean countries Partners: Governments; NGOs (international and local); UN Agencies	19,583,200
UNJLC TSU-REG-05/CSS02-REGION	Project Title: Establishment of a UN Joint Logistics Centre including an Air Coordination Centre providing Logistics & Movement Coordination and Augmentation to Humanitarian Agencies working in Response to the Indian Ocean tsunami Aim: Optimise and complement the logistics capabilities of cooperating agencies during the initial phase of humanitarian operations Beneficiaries: NA Reason: separation of HIC project	Original: 4,000,000 Revised: 5,400,000 Reason: Additional staff related costs, more ICT/communication equipment and vehicle requirements. * Project up until 30 June 2005.
UNV TSU-REG-05/CSS05-REGION	Project Title: United Nations Volunteers Support to Local Communities for tsunami Regional Crisis Aim: To provide emergency relief and recovery assistance to communities affected by the Asia tsunami crisis; medium and longer term recovery and reconstruction, including micro-grant assistance to local government / non-government entities Beneficiaries: Affected governments and local communities in Asia region Partners: Local community organisations / volunteer groups; national Government departments and NGO bodies within affected areas	12,500,000
WFP TSU-REG-05/CSS01-REGION	Project Title: Special Operation for WFP Air Support of Humanitarian Relief Operations in Response to the Indian Ocean tsunami (SO10407) Aim: Coordinate the reception and forwarding-on of relief assistance to beneficiaries in the region, including a passenger air service for UN agencies and NGOs. Beneficiaries: NA Partners: UN agencies, Red Cross/Crescent, NGOs, civil and military authorities	42,500,000 (Implementation extended until 31 July 2005.)

**INDIAN OCEAN EARTHQUAKE – TSUNAMI 2005
MID TERM REVIEW OF FLASH APPEAL**

COORDINATION//SUPPORT SERVICES//LOGISTICS		US\$
UN/ISDR TSU-REG-05/CSS06- REGION	<p>Project Title: Evaluation and strengthening of Early Warning Systems in Countries Affected by the 26 December 2004 tsunami in South East and South Asia</p> <p>Aim: Improved public confidence and security, a rapid boosting of the capacities for action and planning for early warning by public authorities, authoritative information products needed by the humanitarian community, and a sound basis for coordination and informed implementation of tsunami warning systems in the region; to assist countries with developing early warning systems, by planning a roadmap to implement various projects; train relevant practitioners and facilitate coordination among existing technical institutions and early warning systems; and provide overall organisational assistance.</p>	8,000,000
	<table border="0"> <tr> <td style="vertical-align: top;"> <p>Beneficiaries: National Governments and practitioners in the 12 affected countries by the tsunami, focusing on disaster management agencies, local authorities and scientific-technical institutions.</p> </td> <td style="vertical-align: top;"> <p>Partners: Secretariat of the International Co-ordination Group for the tsunami Warning System in the Pacific (ICG/ITSU, based at UNESCO/IOC); WMO, UNEP, UNDP, Asian Disaster Reduction Centre (ADRC), US/NOAA, Japan Meteorological Agency (JMA) and national focal points.</p> </td> </tr> </table>	
<p>Beneficiaries: National Governments and practitioners in the 12 affected countries by the tsunami, focusing on disaster management agencies, local authorities and scientific-technical institutions.</p>	<p>Partners: Secretariat of the International Co-ordination Group for the tsunami Warning System in the Pacific (ICG/ITSU, based at UNESCO/IOC); WMO, UNEP, UNDP, Asian Disaster Reduction Centre (ADRC), US/NOAA, Japan Meteorological Agency (JMA) and national focal points.</p>	

ECONOMIC RECOVERY AND INFRASTRUCTURE		US\$
UNDP TSU-REG-05/ER/101- REGION	<p>Project Title: Emergency Capacity Building for Recovery and Reconstruction Planning</p> <p>Aim: To provide countries in the South and South East Asia region and others affected, with a recovery and reconstruction planning facility and with emergency capacity building and technical support for key recovery issues</p>	<p>Original Project total: 22,000,000</p> <p>Revised total: 17,300,000</p> <p>(Component 1 [Coordination]: 1,000,000;</p> <p>Component 2 [Risk assessment info]: 1,000,000;</p> <p>Component 3 [Capacity building support]: 10,000,000 → 3,500,000;</p> <p>Component 4 [Early warning system] 10,000,000 → 4,000,000; Component 5:</p> <p>[Maldives Recovery Framework]: 400,000;</p> <p>Component 6 [India integrating risk reduction into recovery]: 4,350,000;</p> <p>Component 7 [India ICT Tools]: 3,050,000</p>
	<table border="0"> <tr> <td style="vertical-align: top;"> <p>Beneficiaries: National and local authorities, NGOs, local communities, regional organisations</p> </td> <td style="vertical-align: top;"> <p>Partners: Ministries of Planning, Government Crisis Tasks Forces, Local Government authorities, NGOs</p> </td> </tr> </table>	
<p>Beneficiaries: National and local authorities, NGOs, local communities, regional organisations</p>	<p>Partners: Ministries of Planning, Government Crisis Tasks Forces, Local Government authorities, NGOs</p>	
REVISED PROJECT		

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FOOD		US\$
WFP TSU-REG-05/F01- REGION	<p>Project Title: Regional EMOP "Assistance to tsunami Victims in Indonesia, Sri Lanka, The Maldives and Other Countries in the Indian Ocean Region"</p> <p>Aim: To save lives and prevent deterioration in the nutritional status of vulnerable children and mothers; and promote the rehabilitation of housing, community infrastructure and livelihoods.</p>	185,500,000
	<p>Beneficiaries: 2,000,000</p> <p>Partners: Government authorities, NGOs/Red Cross/ Crescent Societies/civil society organisations</p>	
WFP TSU-REG-05/F02- REGION	<p>Project Title: Logistics Augmentation in support of WFP Indian Ocean tsunami Emergency Operation</p> <p>Aim: Re-constitute and maintain a reliable transport capacity in affected countries in the region to support the delivery of food and other essential humanitarian relief items. In addition, WFP is providing base camps for other UN agencies and NGOs.</p>	Original: 24,400,000 Revised: 21,000,000 Reason: Budget revised based on actual requirements in first 3 months
	<p>Beneficiaries: 2 million</p> <p>Partners: National authorities of various effected and donor countries; private sector</p>	
REVISED PROJECT		

HEALTH		US\$
WHO TSU-REG-05/H01- REGION	<p>Project Title: Enhancing capacity to respond to health threats at regional level and supporting health coordination</p> <p>Aim: To support national health authorities to protect the health of survivors and vulnerable people affected by the disaster, to provide early warning of emergency health threats and to enable the timely organisation of any response, to work with the Ministries of Health and with partners in the coordination of the health sector response.</p>	Original: 12,200,000 Revised: 15,000,000 Reason: Needs for additional identified activities including information management systems (US \$700,000), strengthening health workforce (US \$1,000,000), organising a regional support to implementation of country projects (US \$800,000) and lessons learnt exercise (US \$300,000)
	<p>Beneficiaries: Survivors and persons affected by the effect of the earthquakes and tsunamis in South Asia</p> <p>Partners: Ministries of Health of affected countries; UNICEF, UNFPA and NGOs active in the health sector</p>	
REVISED PROJECT		

PROTECTION, HUMAN RIGHTS, RULE OF LAW, INTEGRATION AND LIVELIHOODS		US\$
UNIFEM TSU-REG- 05/P/HR/RL01- REGION	<p>Project Title: Women's Leadership and Livelihoods in Relief and Reconstruction in tsunami-affected Communities</p> <p>Aim: To protect and promote women's rights to livelihoods and safety in the relief and reconstruction of tsunami-affected areas in Indonesia, Sri Lanka and Somalia; To increase the capacity and leadership of women's grass-roots and advocacy organisations to participate in and influence mainstream relief and reconstruction efforts in Indonesia, Sri Lanka and Somalia</p>	3,587,500
	<p>Beneficiaries: Internally displaced women – especially those who have lost male family members – and their families in Indonesia (Aceh), Sri Lanka and Somalia</p> <p>Partners: Women's grass roots and advocacy NGOs; relevant government ministries; UN partners, especially UNHCR, OCHA, OHCHR, UNFPA, UNICEF and UNDP</p>	

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SECURITY		US\$
UNDSS TSU-REG-05/S01- REGION	Project Title: Reinforcement of the Regional Field Security Coordination Structure in support of United Nations assistance to tsunami affected countries.	200,000
	Aim: to provide security services to United Nations agencies funds and programmes and current NGO Partners, operating in the affected region, in accordance with the overall UNDSS established procedures	
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries Over 15,000 UN Staff and Dependants in the region plus beneficiaries of UN/NGO Programmes </td> <td style="width: 50%; vertical-align: top;"> Partners: UN System and NGO partners </td> </tr> </table>	
Beneficiaries Over 15,000 UN Staff and Dependants in the region plus beneficiaries of UN/NGO Programmes	Partners: UN System and NGO partners	

CHILD PROTECTION		US\$
UNICEF TSU-REG/THAI- 05/P/HR/RL02- REGION	Project Title: Child Protection	Original: 1,300,000 Revised: 3,000,000 Reason: Assessment found needs higher than originally planned for
	Aim: Provide psycho-social support to social service care providers (such as teachers, health and community workers); Strengthen capacities for psycho-social care and support to children and their families in the affected population; and specialised psycho-social care and support for traumatised children and families. Identify any separated and/or unaccompanied children and ensure the systems are in place to reunite them with their families (immediate or extended).	
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries: Total: 20,000 families Women: over 20,000 Children: over 50,000 </td> <td style="width: 50%; vertical-align: top;"> Partners: - MoPH; MoSDHS WV Foundation of Thailand (WVFT); NGOs - Six Provincial SDHS and Public Health Offices </td> </tr> </table>	
Beneficiaries: Total: 20,000 families Women: over 20,000 Children: over 50,000	Partners: - MoPH; MoSDHS WV Foundation of Thailand (WVFT); NGOs - Six Provincial SDHS and Public Health Offices	

EDUCATION		US\$
UNICEF TSU-REG/THAI- 05/E01-REGION	Project Title: Emergency Education	Original: 1,100,000 Revised: 3,000,000 Reason: Assessment found needs higher than originally planned for
	Aim: Support getting children back into school for the 4 January opening (or as close as possible to this date) and sustain children's attendance in schools as a contribution to a return to normalcy.	
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries: Total: 20,000 families Women: over 20,000 Children: over 50,000 </td> <td style="width: 50%; vertical-align: top;"> Partners: - MoE; NGOWV Foundation of Thailand (WVFT) - Six Provincial Education Office </td> </tr> </table>	
Beneficiaries: Total: 20,000 families Women: over 20,000 Children: over 50,000	Partners: - MoE; NGOWV Foundation of Thailand (WVFT) - Six Provincial Education Office	

WATER AND ENVIRONMENTAL SANITATION		US\$
UNICEF TSU-REG/THAI- 05/WS01-REGION	Project Title: Water and Environmental Sanitation	Original: 1,000,000 Revised: 2,100,000 Reason: Assessment found needs higher than originally planned for
	Aim: Ensure adequate safe water and safe excreta disposal for tsunami-affected population in Thailand to prevent water- and excreta-related diseases, with an emphasis on the most vulnerable.	
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries: Total: 20,000 families Women: over 20,000 Children: over 50,000 </td> <td style="width: 50%; vertical-align: top;"> Partners: - MoOH; NGOs - Six Provincial Education Office </td> </tr> </table>	
Beneficiaries: Total: 20,000 families Women: over 20,000 Children: over 50,000	Partners: - MoOH; NGOs - Six Provincial Education Office	

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HEALTH		US\$
UNICEF TSU-REG/THAI-05/H02-REGION (Combined with TSU-REG/THAI-05/CSS08-REGION)	Project Title: Direct support to Thai local authorities for multi-sectoral emergency assistance (at least 10 districts) in health, nutrition, and livelihoods of children (at least 10 districts), including assessment, monitoring, emergency logistics, communications and recovery cost Aim: Strengthen emergency response for multi-sectoral support and preparedness for disease outbreaks. In close collaboration with districts, monitor Thai Government response to this emergency.; provide logistics, communications and assessment support	Original: 500,000 (+ 860,000 for CSS08-Region, = 1,360,000) Revised: 2,260,000 Reason: Combined with TSU-REG/THAI-05/CSS08-REGION; assessment found needs higher than originally planned for
REVISED PROJECT	Beneficiaries: Total: 20,000 families Women: over 20,000 Children: over 50,000 Partners: MoSDHS; MoPH; Mol; NGOs, CBOs, Local Government structures	
SHELTER		US\$
UNDP TSU-REG/THAI-05/S/NF01-REGION	Project Title: Support to Safer Housing Initiatives for the Six tsunami-Affected Provinces in Thailand Aim: To provide safer housing to the six tsunami-affected provinces through emergency shelter rehabilitation efforts and participatory planning for shelter strategies. Beneficiaries: 4,000 households Women: Over 1,000 Children: Over 1,000 Implementing Partners: National Housing Authority, Ministry of Social Development and Human Security Ministry of Interior Community Organisation Development Institute (CODI) Local Governments Associations NGOs UNHABITAT	1,000,000
LIVELIHOODS AND BASIC NEEDS		US\$
IOM TSU-REG/THAI-05/MS01-REGION (combined with – MS03)	Project Title: Support to displaced undocumented migrant workers and other mobile populations in the field of health care, shelter, and basic needs; Voluntary return and reintegration of displaced migrant workers from Myanmar Aim: Voluntarily repatriate estimated 500 displaced families from Ranong province to Myanmar and reintegrate them in their respective home communities in Myanmar Beneficiaries: Total: 10 000 households Women: Children:	Original: 550,000 Revised: 800,000 Reason: combined with MS03; Assessment identified additional unmet needs
UNDP/CODI TSU-REG/THAI-05/ER/I02-REGION REVISED PROJECT	Project Title: Emergency Alternative Livelihoods systems Aim: Recovery of livelihoods systems of poorer Thai communities affected by the disaster Beneficiaries: 20 coastal communities Total: 20 000 households Women: Children:	
	Partners: Ranong Provincial Public Health Office, MOPH, WHO CODI, NGOs, CBOs, Local Government structures	1,100,000

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LIVELIHOODS AND BASIC NEEDS		US\$
UNDP TSU-REG/THAI-05/ER/103-REGION	<p>Project Title: Support to community-based recovery planning and disaster resilience</p> <p>Aim: Expand existing project with provincial public health office, Thailand MOPH, WHO to provide migrant workers with access to health care and provide temporary shelter to vulnerable migrants; Initiate environment rehabilitation and support community recovery planning</p> <p>Beneficiaries: 20 coastal communities Total: 20 000 households Women: Children:</p> <p>Partners: CODI, NGOs, CBOs, Thai Local Government structures</p>	400,000
	<p>Project Title: Emergency Relief for Ranong and Phuket Provinces</p> <p>Aim: To provide emergency relief on food, shelter and medical services to tsunami victims in Thailand especially women and girls at Ranong and Phuket Provinces</p> <p>Beneficiaries: Total: over 1,000 Women: over 500 Children: over 500</p> <p>Partners: - World Vision Foundation of Thailand (WVFT) - Ranong and Phuket Provincial Public Health Offices</p>	<p>Original: 200,000 Revised: 450,000 Reason: Assessment identified additional unmet needs</p>

AGRICULTURE/LIVESTOCK/FISHERIES/LIVELIHOODS		US\$
FAO/ UNDP TSU-REG/THAI-05/A01-REGION	<p>Project Title: Emergency Assistance to the tsunami-affected fishing communities in Southern Thailand</p> <p>Aim: Project will provide tsunami-affected fisherfolk with fisheries inputs, along with necessary technical guidance, training and supervision to support them to quickly restore production and re-establish their livelihood.</p> <p>Beneficiaries: Tsunami-affected fisherfolk Total: 10,000 households Women: Children:</p> <p>Partners: Ministry of Agriculture and Cooperatives</p>	<p>Original: 1,200,000 Revised: 1,500,000 Reason: Assessment identified additional unmet needs</p>
	<p>Project Title: Emergency rehabilitation of fishery harbours and anchorages and production-related infrastructure in Sri Lanka</p> <p>Aim: To support the most affected coastal fisher communities in returning to food and livelihood security through provision of material and technical inputs for the rehabilitation of small and medium scale fisheries systems. This will include support to fishing infrastructure such as landing sites, drying facilities, small scale fishing ports and ice plants, and boat maintenance facilities.</p> <p>Beneficiaries: Total: 128,500 households of affected fishers</p> <p>Partners: Ministry of Fisheries</p>	<p>Original: 2,950,000 Revised: 10,000,000 Reason: Assessment found needs greater than originally planned for and extension period for project implementation is required.</p>

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AGRICULTURE/LIVESTOCK/FISHERIES/LIVELIHOODS		US\$
<p>FAO</p> <p>TSU-REG/SRL-05/ER/I02-REGION-SRI LANKA</p>	<p>Project Title: Replacement and repair of boats, engines and fishing gear in Sri Lanka</p> <p>Aim: To support the most affected coastal fisher communities (in particular in the districts of Mannar, Jaffna, Kilinochchi, Mullaitivu, Trincomalee, Batticaloa, Ampara, Hambantota, Mathara, Galle, Kalutara, Colombo, Gampaha and Puttalam) in returning to food and livelihood security through provision of material and technical inputs for the rehabilitation of small and medium scale fisheries systems. This will include support to fishing boat construction and repair, engines and fishing gear, Advice on fisheries related and non-fisheries micro-enterprise development, microfinance and mutual insurance services and strengthening of fisher and fishing community organisations for participation in fisheries and integrated coastal zone management and economic development of fishers and fish farmers.</p> <p>Beneficiaries: Total: 65,000 households of affected fishers</p> <p>Partners: Ministry of Fisheries</p>	<p>Original: 5,000,000 Revised: 13,400,000 Reason: Assessment found needs greater than originally planned for and extension period for project implementation is required.</p>
REVISED PROJECT		
<p>FAO</p> <p>TSU-REG/THAI-05/A02-REGION</p>	<p>Project Title: Emergency Assistance to the tsunami-affected farmers to restart agricultural production in Southern Thailand</p> <p>Aim: Project will provide tsunami-affected farmers with agricultural/livestock inputs, along with necessary technical guidance, training and supervision to support them to quickly restore production and re-establish their livelihood.</p> <p>Beneficiaries: Tsunami-affected farmers Total: Women: Children:</p> <p>Partners: Ministry of Agriculture and Cooperatives</p>	<p>Original: 400,000 Revised: 730,000 Reason: Assessment identified additional unmet needs</p>
REVISED PROJECT		
<p>FAO</p> <p>TSU-REG/SRL-05/ER/I03-REGION-SRI LANKA</p>	<p>Project Title: Reclamation of affected agriculture land and provision of basic inputs to resume farming in the most affected districts in Sri Lanka (in particular in the districts of Jaffna, Kilinochchi, Mullaitivu, Trincomalee, Batticaloa, Ampara, Hambantota, Mathara, Galle and Kalutara)</p> <p>Aim: Project will provide tsunami-affected farmers with agricultural/livestock inputs, along with necessary technical guidance, training and supervision to support them to quickly restore production and re-establish their livelihood.</p> <p>Beneficiaries: tsunami-affected farmers Total: 87,000</p> <p>Partners: Ministry of Agriculture</p>	<p>Original: 1,400,000 Revised: 10,000,000 Reason: Assessment found needs greater than originally planned for and extension period for project implementation is required.</p>
REVISED PROJECT		
NATURAL RESOURCES AND ENVIRONMENT REHABILITATION		US\$
<p>UNDP/ FAO/ UNEP</p> <p>TSU-REG/THAI-05/ER/I04-REGION</p>	<p>Project Title: Responsive Assistance on the Rehabilitation of Natural Resources and Environmental Damages in the Affected Areas of Thailand</p> <p>Aim: Recovery of natural resources and people awareness to protect natural resources as preventive measures to reduce damages from the disasters</p> <p>Beneficiaries: Communities in 6 provinces affected by the disasters</p> <p>Partners: Thai Ministry of Natural Resources and Environment; Academic team from local universities; Local government</p>	<p>900,000</p>

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COORDINATION		US\$
UNDP TSU-REG/THAI-05/CSS09-REGION	Project Title: Support to Thailand UNRC/HC Aim: To provide support to UNRC/HC in interagency coordination, government liaison, logistics support to UNDAC teams, office costs, and additional person-power required	300,000
	Beneficiaries: Affected populations in the region	
FAO TSU-REG/SRL-05/ER/I04-REGION-SRI LANKA	Project Title: Establishment of a technical coordination unit for the agriculture sector in Sri Lanka Aim: To facilitate and coordinate the provision of agriculture/fishery related emergency and recovery assistance in tsunami affected areas of Sri Lanka. This will be achieved by maintaining a strong presence of technical experts in agriculture, forestry, livestock, irrigation, soil reclamation and related disciplines to support the Government and humanitarian community partners in the formulation of strategies and policies for emergency response and rehabilitation or rural livelihoods. Activities will include promotion of workshops and technical meetings, deployment of field studies on critical agricultural issues, support to large scale planning for integrated coastal zone management and disaster mitigation, land use and tenure studies, and rural resource management and support to Crop and Food Supply Assessment missions.	Original: 335,475 Revised: 1,550,000 Reason: Assessment found needs greater than originally planned for and extension period for project implementation is required.
	Beneficiaries: Total: 103,000 households with livelihoods based on agriculture and fishery	
REVISED PROJECT	Partners: UNCT, OCHA, MFA Ministry of Agriculture,	

REGIONAL COORDINATION OF INFORMATION FOR REHABILITATION AND PLANNING		US\$
FAO TSU - REG-05/A03 – REGION [New Project]	Project Title: Fisheries regional technical coordinating and support unit Aims: To establish a technical coordinating and support units to provide technical guidance, support, <i>coordination and supervision</i> to the fisheries rehabilitation activities including monitoring the fishery and aquaculture inputs to prevent overcapacity and the development of poor practices, coordinate training initiatives for technical inputs and good governance; coordinate inputs to value-added and livelihood initiatives, and coordinate those activities. Advice on fisheries related and non-fisheries micro-enterprise development, microfinance and mutual insurance services and strengthening of fisher and fishing community organisations for participation in fisheries and integrated coastal zone management and economic development of fishers and fish farmers.	3,000,000
	Beneficiaries: Coastal fishing communities	
	Partners: Country fisheries departments, UN agency partners, NGO, Banks	

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REGIONAL COORDINATION OF INFORMATION FOR REHABILITATION AND PLANNING		US\$
FAO TSU - REG-05/A04 – REGION [New Project]	Project Title: Regional partnership to enhance regional cooperation and coordination in support of national forest rehabilitation efforts in the affected Asian countries Aims: (i) To enhance regional cooperation and coordination in support of national forest rehabilitation efforts in the affected Asian countries. The project would support a secretariat and provide fund to support the following activities: i) launch a web based portal and list server to provide information on the activities of various actors in the different countries; ii) generate, collect and disseminate technical information and guidelines useful for coastal forest rehabilitation and management and integrated coastal zone management; iii) support regional workshops and training on topics of immediate importance for planning and rehabilitation efforts.	800,000
	<table border="1"> <tr> <td>Beneficiaries: Urban and rural communities</td> <td>Partners: Affected countries; UNEP, UNDP, and other IOs; international and regional NGOs, ADB and the World Bank</td> </tr> </table>	
Beneficiaries: Urban and rural communities	Partners: Affected countries; UNEP, UNDP, and other IOs; international and regional NGOs, ADB and the World Bank	
FAO TSU - REG-05/A05 – REGION [New Project]	Project Title: Regional co-ordination and information management on strategies for early recovery of agriculture in coastal regions Aims: To obtain information from on-going assessment studies and projects on rehabilitation of agricultural lands affected by tsunami. To establish a regional partnership and a network to share information and expertise to enhance the national efforts in rehabilitation of the agricultural sector.	800,000
	<table border="1"> <tr> <td>Beneficiaries: Coastal communities</td> <td>Partners: Affected countries, mainly INS, SRL, IND, THA, MDV); UNDP, and other IOs; international and regional NGOs, ADB and the World Bank</td> </tr> </table>	
Beneficiaries: Coastal communities	Partners: Affected countries, mainly INS, SRL, IND, THA, MDV); UNDP, and other IOs; international and regional NGOs, ADB and the World Bank	
FAO TSU - REG-05/A06 – REGION [New Project]	Project Title: Information management, capacity building of national institutions in tsunami-affected areas, technical assistance to rehabilitation and recovery of agriculture, fisheries and forestry projects, programs and policies. Aims: To enhance decision making through geographical information at all levels, for the preparation, implementation, monitoring evaluation and overall coordination of the Tsunami relief operations. To support Ministries of Planning, of Agriculture, Fisheries and Forestry, local authorities, international organisations (OCHA, UNDP, FAO) in producing and using geographical information.	800,000
	<table border="1"> <tr> <td>Beneficiaries: Urban and rural communities</td> <td>Partners: Affected countries (Indonesia, Sri Lanka, Thailand, Maldives) UNDP, and other IOs; international and regional NGOs.</td> </tr> </table>	
Beneficiaries: Urban and rural communities	Partners: Affected countries (Indonesia, Sri Lanka, Thailand, Maldives) UNDP, and other IOs; international and regional NGOs.	

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REGIONAL COORDINATION OF INFORMATION FOR REHABILITATION AND PLANNING		US\$		
<p>FAO TSU - REG-05/A07 – REGION [New Project]</p>	<p>Project Title: Local capacity building of small scale and artisan producers and their community level organisations to enhance their access to and sustainable management of coastal resources for small-scale fisheries', agricultural, forestry based rural livelihoods.</p> <p>Aims: To identify gaps, potentials and priority areas in ongoing local level disaster relief programs by governments supported by donor agencies in Tsunami stricken coastal communities with a view to enhance their targeting efficiency and impact, to enable more equitable access to and sustainable management of natural-production resources by small-scale farmers, fisher folk and other informal groups of most vulnerable rural poor. Identification of areas for local institutional capacity building for improved participatory pro poor and gender sensitive planning at local levels.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: Urban and rural communities</td> <td style="width: 50%;">Partners: Affected countries (India, Indonesia, Sri Lanka, Thailand) UNDP, and other IO international and regional NGOs.</td> </tr> </table>	Beneficiaries: Urban and rural communities	Partners: Affected countries (India, Indonesia, Sri Lanka, Thailand) UNDP, and other IO international and regional NGOs.	750,000
Beneficiaries: Urban and rural communities	Partners: Affected countries (India, Indonesia, Sri Lanka, Thailand) UNDP, and other IO international and regional NGOs.			
<p>FAO TSU - REG-05/A08 – REGION [New Project]</p>	<p>Project Title: Development of national fishery rehabilitation strategies</p> <p>Aims: To provide assistance to all tsunami countries in the development of national rehabilitation strategies and implementation plans for the fisheries sector, including advice on fisheries related and non-fisheries micro-enterprise development, microfinance and mutual insurance services and strengthening of fisher and fishing community organisations for participation in fisheries and integrated coastal zone management and economic development of fishers and fish farmers.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: Coastal fishing communities, fisheries sector</td> <td style="width: 50%;">Partners: Ministry of Agriculture</td> </tr> </table>	Beneficiaries: Coastal fishing communities, fisheries sector	Partners: Ministry of Agriculture	700,000
Beneficiaries: Coastal fishing communities, fisheries sector	Partners: Ministry of Agriculture			
<p>FAO TSU - REG-05/A09 – REGION [New Project]</p>	<p>Project Title: Comprehensive Fisheries, Environment and Livelihood impact and needs assessments</p> <p>Aims: To conduct assessments on (i) the extent of damage to the coastal environment, including fishery resources, mangroves, sea grasses and other critical habitats, and (ii) the impact of the tsunami on the livelihoods of coastal communities in all tsunami-affected countries, including a review of what has already been covered. This forms the guide to future rehabilitation of livelihoods of affected areas and is the necessary first step needed for the shift to medium and longer term rehabilitation and reconstruction.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: Coastal fishing communities, National fishery agencies</td> <td style="width: 50%;">Partners: Asia Pacific Rural and Agricultural Credit Association (APRACA), World Fish Center, National Fishery Agencies, Regional Fishery Organisations, Ministries of Agriculture</td> </tr> </table>	Beneficiaries: Coastal fishing communities, National fishery agencies	Partners: Asia Pacific Rural and Agricultural Credit Association (APRACA), World Fish Center, National Fishery Agencies, Regional Fishery Organisations, Ministries of Agriculture	4,300,000
Beneficiaries: Coastal fishing communities, National fishery agencies	Partners: Asia Pacific Rural and Agricultural Credit Association (APRACA), World Fish Center, National Fishery Agencies, Regional Fishery Organisations, Ministries of Agriculture			

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REGIONAL COORDINATION OF INFORMATION FOR REHABILITATION AND PLANNING		US\$		
<p>FAO TSU - REG-05/A11 – REGION [New Project]</p>	<p>Project Title: Technical assistance to countries for fishery management and appropriate rehabilitation</p> <p>Aims: To provide technical assistance through field consultants and FAO specialists for the fisheries rehabilitation activities to re-establish sound fisheries management practices, including monitoring, control and surveillance for compliance purposes; ensure safety at sea; set standards for design, construction and equipment for fishing vessels; provide advice on fleet restructuring, and diversification of fishing effort using an integrated coastal area management approach where appropriate. Provide advice on the development and strengthening of fisher and fishing community organisations.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: National fishery agencies and coastal fishing communities</td> <td style="width: 50%;">Partners: Regional Fishery Organisations, Development partners, Ministry of Agriculture</td> </tr> </table>	Beneficiaries: National fishery agencies and coastal fishing communities	Partners: Regional Fishery Organisations, Development partners, Ministry of Agriculture	4,500,000
Beneficiaries: National fishery agencies and coastal fishing communities	Partners: Regional Fishery Organisations, Development partners, Ministry of Agriculture			
<p>FAO TSU - REG-05/A13 – REGION [New Project]</p>	<p>Project Title: Technical Assistance to countries in the design and development of a small-scale fishers compensation scheme.</p> <p>Aims: To identify systems for the development of self-help and group access to insurance and compensation. Guidance and advice for the strengthening of community organisation and financial service providers to coastal fishing communities. Mainstreaming of microfinance, rural credit, mutual insurance and fishers organisations and integration of livelihood and technology development and fisheries management.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: Regional and National institutions dealing with rural finance</td> <td style="width: 50%;">Partners: Regional Credit Organisations, national micro-finance institutions</td> </tr> </table>	Beneficiaries: Regional and National institutions dealing with rural finance	Partners: Regional Credit Organisations, national micro-finance institutions	450,000
Beneficiaries: Regional and National institutions dealing with rural finance	Partners: Regional Credit Organisations, national micro-finance institutions			
<p>FAO TSU - REG-05/A14 – REGION [New Project]</p>	<p>Project Title: Fisheries technical assistance for rehabilitation of Indian fishing communities</p> <p>Aims: To provide technical assistance to India in the medium term rehabilitation of coastal communities and the environment based on the results of environmental and livelihoods assessments. Advice on fisheries related and non-fisheries micro-enterprise development, microfinance and mutual insurance services and strengthening of fisher and fishing community organisations for participation in fisheries and integrated coastal zone management and economic development of fishers and fish farmers.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: Indian coastal fishing communities</td> <td style="width: 50%;">Partners: Ministry of Agriculture</td> </tr> </table>	Beneficiaries: Indian coastal fishing communities	Partners: Ministry of Agriculture	3,000,000
Beneficiaries: Indian coastal fishing communities	Partners: Ministry of Agriculture			

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REGIONAL COORDINATION OF INFORMATION FOR REHABILITATION AND PLANNING		US\$
FAO	<p>Project Title: Restoration of agricultural production capacity of coastal communities of tsunami affected countries</p> <p>Aims: (i) To identify and initiate integrated management practices for resumption of agricultural production in affected regions considering the outputs of need assessment studies, the severity and extent of damage to agricultural land, cropping systems, water resources, available human resources, and agro-ecological and socio-economic conditions; (ii) To re-establish home gardens (vegetables, fruit trees, medicinal plants, livestock) in conjunction with the re-settlement programmes; (iii) To support establishment of nurseries for production of quality planting materials and seed multiplication facilities (iv) To provide technical guidance, support and supervision to national efforts in rehabilitation of agricultural production and livelihoods; (v) To facilitate the dissemination of information and promising technologies to the farmers; (vi) To utilise the lessons learnt and information emanating from this project for formulation of long term rehabilitation programmes/projects.</p>	3,000,000
	<p>Beneficiaries: Coastal communities</p> <p>Partners: Affected countries, mainly INS, SRL, IND, THA, MDV); UNDP, and other IOs; international and regional NGOs, ADB and the World Bank</p>	
TSU - REG-05/A15 – REGION		
[New Project]		

HIV/AIDS (MULTI-SECTORAL)		US\$
UNAIDS	<p>Project Title: Enhanced country support</p> <p>Aims: To provide technical support and tools to country level for vulnerability assessments, mainstreaming HIV interventions, programme implementation, planning, monitoring and reporting.</p>	300,000
	<p>Beneficiaries: National AIDS bodies, UN System, NGOs and CBOs</p> <p>Partners: National AIDS bodies, UN System, NGOs and CBOs</p>	
TSU - REG-05/H03 – REGION		
[New Project]		
UNHCR	<p>Project Title: Immediate support in the form of cash grants (USD 50,000) to the emergency response of the Government of the Maldives and the local government of the Union Territory of Pondicherry in India.</p> <p>Aim: The cash grants were essentially to be used for provision of for temporary shelter, plastic sheeting/mats, kitchen supplies, summer blankets to Tsunami affected refugees and IDPs with immediate needs.</p>	100,000
	<p>Beneficiaries: Total: 4000 people</p> <p>Partners: Central and local Government</p>	
TSU - REG-05/S/NF01–REGION		
[New Project]		

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WATER AND SANITATION		US\$
UNEP TSU - REG-05/WS02 – REGION [New Project]	Project Title: Post-Tsunami Regional Waste Management	
	Aim: Reduce imminent threats to public health and safety and crucial natural resources (e.g., groundwater supplies) and maximise the reuse of waste materials through development and implementation of an integrated waste management strategy, and associated capacity building and training.	
	Beneficiaries: 2 million	Partners: UNDP, UNICEF, WHO, UN-HABITAT, FAO as well as environmental and planning authorities in each of the impacted countries
		400,000
EARLY WARNING		US\$
UNESCO/IOC Intergovernmental Oceanographic Commission of UNESCO TSU - REG- 05/CSS10 – REGION [New Project]	Project Title: Indian Ocean Tsunami Warning System	
	Aim: Fast-track implementation of an interim tsunami warning system for the Indian Ocean and initial development of a permanent, operational tsunami warning and mitigation system within a multi-hazard and global framework.	
	Beneficiaries: People living in coastal areas of countries surrounding the Indian Ocean Basin with special focus on Indonesia, Maldives, Myanmar, Seychelles, Somalia, Sri Lanka.	Partners: National oceanographic, seismic and meteorological agencies in Indonesia, Maldives, Myanmar, Seychelles, Somalia, Sri Lanka, Global Ocean Observing System (GOOS), WMO, IMO, ITU, FDSN, CTBTO, ISDR (TSU-REG-05/CSS06 Region) and others.
		12,000,000
UNICEF TSU - REG-05/H04 – REGION [New Project]	Project Title: HIV/AIDS prevention, care and support	
	Aim: <ul style="list-style-type: none"> • Existing HIV/AIDS prevention and care services are maintained; • Young people in shelters with access to HIV prevention services, including condoms, information and counselling • Ensure that girls continue to stay in school and that women affected have adequate support and occupational opportunities; • Inclusion of affected families who have lost livelihoods, in welfare assistance schemes • Provide increased focus of HIV prevention activities for migrant workers, both domestic and foreign; • Extend access to HIV/AIDS prevention and care services to ethnic minority populations 	
	Beneficiaries: Total: 20,000 families and populations in temporary shelter Women: over 20,000 Children: over 50,000	Partners: - MoPH; NGOs; community based and religious organisations
		700,000

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EARLY WARNING		US\$
UNICEF TSU - REG-05/CSS11 – REGION [New Project]	Project Title: Monitoring, Social Policy Analysis and Communication Aim: <ul style="list-style-type: none"> • Assessment and analysis of children's indicators in affected districts and provinces • Analysis of policies directed at children in tsunami affected areas (migrants, pre-school aged children and social sector budgets) • Strengthening of emergency preparedness and response to future emergencies • Communication for behavioural change 	900,000
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries: Total: 20,000 families and populations in temporary shelter Women: over 20,000 Children: over 50,000 </td> <td style="width: 50%; vertical-align: top;"> Partners: - MoE, NESDB, Bureau of Budget, MoSDHS, NSO and research institutions </td> </tr> </table>	
Beneficiaries: Total: 20,000 families and populations in temporary shelter Women: over 20,000 Children: over 50,000	Partners: - MoE, NESDB, Bureau of Budget, MoSDHS, NSO and research institutions	
UNEP TSU - REG-05/CSS12 – REGION [New Project]	Project Title: Regional Rapid Environmental Assessment Aim: Based on the findings of the rapid environmental assessments conducted by the Joint UNEP-OCHA Environment Unit that focused on acute environmental risks relevant to human life and response efforts, this complimentary project will assess additional impacts to natural resources caused by the tsunami and identify critical environmental needs for a sustainable recovery.	900,000
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries: Populations in the communities affected by the disaster in Sri Lanka, Indonesia, Thailand, Maldives, Seychelles, Somalia and Yemen. </td> <td style="width: 50%; vertical-align: top;"> Partners: Environmental authorities and national experts in Sri Lanka, Indonesia, Thailand, Maldives, Seychelles, Somalia and Yemen, IUCN, WWF. </td> </tr> </table>	
Beneficiaries: Populations in the communities affected by the disaster in Sri Lanka, Indonesia, Thailand, Maldives, Seychelles, Somalia and Yemen.	Partners: Environmental authorities and national experts in Sri Lanka, Indonesia, Thailand, Maldives, Seychelles, Somalia and Yemen, IUCN, WWF.	
UNDP TSU - REG-05/ER/102 – REGION [New Project]	Project Title: Strategic Planning of the Andaman Sea Coastline Aim: To develop a strategic plan to guide the Royal Thailand Government policy formulation and sustainable development of the Andaman Sea coastline, adopting a holistic, multi-departmental, and inclusive partnership approach.	365,000
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries: Communities dependant on fisheries and tourism </td> <td style="width: 50%; vertical-align: top;"> Partners: Ministry of Natural Resources and Environment </td> </tr> </table>	
Beneficiaries: Communities dependant on fisheries and tourism	Partners: Ministry of Natural Resources and Environment	
UNDP TSU - REG-05/ER/105 – REGION [New Project]	Project Title: Coral Reef Clean-Up and Rehabilitation Aim: To assist the Department of Marine and Coastal Resources in cleaning up and restoring coral reefs damaged by the tsunami, removing debris and sedimentation, repairing broken corals where possible, and provide technical assistance for strategic longer-term coral reef rehabilitation and protection.	400,000
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries: Communities dependant on fisheries and tourism </td> <td style="width: 50%; vertical-align: top;"> Partners: Ministry of Natural Resources and Environment </td> </tr> </table>	
Beneficiaries: Communities dependant on fisheries and tourism	Partners: Ministry of Natural Resources and Environment	

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EARLY WARNING		US\$
UNDP TSU – REG-THAI-05/CSS10 – REGION [New Project]	Project Title: Support for Tsunami Early Warning System Development Aim: To support RTG efforts at developing an effective early warning system for natural hazards including tsunamis	300,000
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries: Affected population and others in coastal Thailand. </td> <td style="width: 50%; vertical-align: top;"> Partners: RTG agencies Academic team from local universities Local government ESCAP, OCHA Regional disaster management institutions </td> </tr> </table>	
Beneficiaries: Affected population and others in coastal Thailand.	Partners: RTG agencies Academic team from local universities Local government ESCAP, OCHA Regional disaster management institutions	
UNDP TSU – REG-THAI-05/ER/105 – REGION [New Project]	Project Title: Sustainable Eco-Tourism Development in the Affected Southern Provinces of Thailand Aim: To diversify tourism opportunities of Southern Thailand to include eco-tourism, through:	500,000
	<ul style="list-style-type: none"> • Capacity development of small tourism businesses on alternatives and sustainable management of eco-tourism; • Increased awareness and knowledge of local communities in planning process for eco-tourism in their respective areas; • Assistance in media and awareness campaign. <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries: 6 affected provinces in Southern Thailand. Direct targets include small tourism businesses and local communities </td> <td style="width: 50%; vertical-align: top;"> Partners: - The Ministry of Tourism and Sports - Companies in tourism sector - WTO </td> </tr> </table>	
Beneficiaries: 6 affected provinces in Southern Thailand. Direct targets include small tourism businesses and local communities	Partners: - The Ministry of Tourism and Sports - Companies in tourism sector - WTO	
UNDP/UN-HABITAT TSU - REG-05/ER/103 – REGION [New Project]	Project Title: Supporting Participatory Urban Rehabilitation Planning in Tsunami Affected Municipalities Aim: To facilitate participatory planning and action in sustainable urban management in the recovery phase of tsunami affected municipalities in Thailand and to document and share good practices to other municipalities nationally and internationally.	240,000
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries: Targeted municipalities in the six affected provinces </td> <td style="width: 50%; vertical-align: top;"> Partners: National Municipality League of Thailand, Department of Local Administration (Ministry of Interior), Thailand Environment Institute </td> </tr> </table>	
Beneficiaries: Targeted municipalities in the six affected provinces	Partners: National Municipality League of Thailand, Department of Local Administration (Ministry of Interior), Thailand Environment Institute	
UNDP TSU - REG/THAI-05/ER/106 – REGION [New Project]	Project Title: Emergency Relief and Rehabilitation to Ban Thale Nork, Ao Phang Nga and Suksamran Communities (Small Grants Programme) Aim: Using existing UNDP small grants programme mechanism, provide urgent community rehabilitation support, restore basic source of income in fisheries and small-scale tourism-related enterprises, and identify strategies for longer term recovery of sustainable livelihoods.	240,000
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Beneficiaries: Total: 5000 people </td> <td style="width: 50%; vertical-align: top;"> Partners: Community Organisations </td> </tr> </table>	
Beneficiaries: Total: 5000 people	Partners: Community Organisations	

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MID TERM REVIEW OF FLASH APPEAL

EARLY WARNING		US\$		
FAO TSU - REG/THAI-05/ER/I07 – REGION [New Project]	<p>Project title: In-depth assessment of mangroves and other coastal forests affected by the tsunami in Southern Thailand</p> <p>Aim: Project will provide MNRC with scientific information needed for enhancing coastal forest rehabilitation and management linked with the livelihoods of local communities and preparedness for future similar disasters.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: Communities in 6 provinces affected by the tsunami.</td> <td style="width: 50%;">Partners: Ministry of Natural Resources and Environment</td> </tr> </table>	Beneficiaries: Communities in 6 provinces affected by the tsunami.	Partners: Ministry of Natural Resources and Environment	170,000
Beneficiaries: Communities in 6 provinces affected by the tsunami.	Partners: Ministry of Natural Resources and Environment			
FAO TSU - REG/SRL-05/A01 - REGION	<p>Project title: Emergency needs assessment and rehabilitation of damaged mangrove and coastal plantations in Sri Lanka</p> <p>Aim: The project aims at the rehabilitation of coastal forestry management and natural vegetation such as mangroves. Mangroves, coastal lagoons and coral reefs acted as protection/buffer zones, lessening tsunami impacts.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: Communities in Sri Lanka affected by the tsunami.</td> <td style="width: 50%;">Partners: Ministry of Natural Resources and Environment</td> </tr> </table>	Beneficiaries: Communities in Sri Lanka affected by the tsunami.	Partners: Ministry of Natural Resources and Environment	2,000,000
Beneficiaries: Communities in Sri Lanka affected by the tsunami.	Partners: Ministry of Natural Resources and Environment			
FAO TSU - REG/SRL-05/A02 – REGION [New Project]	<p>Project Title: Emergency restocking and improvement of poultry, goats and dairy cows in Sri Lanka</p> <p>Aim: To provide the most affected farming families with essential agricultural inputs for the resumption of productive activities, including restocking of farm animals and other essential agricultural inputs and activities.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: Total: 20,000 households (100,000 persons)</td> <td style="width: 50%;">Partners: Ministry of Agriculture</td> </tr> </table>	Beneficiaries: Total: 20,000 households (100,000 persons)	Partners: Ministry of Agriculture	3,000,000
Beneficiaries: Total: 20,000 households (100,000 persons)	Partners: Ministry of Agriculture			
UNDP TSU - REG-05/CSS13 – REGION [New Project]	<p>Project Title: Support to UNRC/HC in affected countries</p> <p>Aims: To facilitate the transfer of the coordination function from OCHA to UNDP on behalf of the UNRC and strengthen the UNCT capacity to implement recovery programmes <i>[I don't think we can talk about implementing reconstruction programmes under the Appeal]</i></p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: Aid agencies operating in the region in response to the tsunami and their beneficiaries: Indonesia, Sri Lanka, and the Maldives</td> <td style="width: 50%;">Partners: Governments and UN Agencies</td> </tr> </table>	Beneficiaries: Aid agencies operating in the region in response to the tsunami and their beneficiaries: Indonesia, Sri Lanka, and the Maldives	Partners: Governments and UN Agencies	1,000,000
Beneficiaries: Aid agencies operating in the region in response to the tsunami and their beneficiaries: Indonesia, Sri Lanka, and the Maldives	Partners: Governments and UN Agencies			
UNDP TSU - REG-05/CSS14 – REGION [New Project]	<p>Project Title: Consolidated Regional Aid Tracking Mechanism</p> <p>Aims: To assist Governments in establishing a common tracking system in each of the affected countries that will allow them to track reconstruction and development aid inflows and expenditures. This system will help ensure efficiency, effectiveness and accountability at the national and regional levels.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: Affected countries, their governments, donor states, aid agencies, NGOs, and the private sector.</td> <td style="width: 50%;">Partners: National and local authorities, UN Agencies, IFIs, NGOs, and the private sector.</td> </tr> </table>	Beneficiaries: Affected countries, their governments, donor states, aid agencies, NGOs, and the private sector.	Partners: National and local authorities, UN Agencies, IFIs, NGOs, and the private sector.	2,000,000
Beneficiaries: Affected countries, their governments, donor states, aid agencies, NGOs, and the private sector.	Partners: National and local authorities, UN Agencies, IFIs, NGOs, and the private sector.			

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EARLY WARNING		US\$
UNHCR TSU - REG-05/CSS15 – REGION [New Project]	Project Title: Logistical support for implementation of the UNHCR part of the 8,000 pro bono man hours offered by PricewaterhouseCoopers to the UN system for improved transparency and accountability.	100,000
	Aim: Ensure and document effective use of the funds made available in response to the consequences of the Tsunami through improved transparency in financial tracking including expenditures and forensic accounting.	
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Beneficiaries: Total: Donor Community</td> <td style="width: 50%;">Partners: PricewaterhouseCoopers</td> </tr> </table>	
Beneficiaries: Total: Donor Community	Partners: PricewaterhouseCoopers	

ASIAN DEVELOPMENT BANK

ADB	Asian Development Bank
ATF or Fund	Asian Tsunami Fund
Board	Board of Directors of ADB
DND	Department of National Development
IC	Instrument of Contribution
OCO	Office of Coordinating Operations
OR	ASIAN TSUNAMI FUND
RSD	Regional and Sustainable Development Department
TA	Technical Assistance

NOTE

In this report, "\$" refers to US dollars.

February 2005

ABBREVIATIONS

ADB	–	Asian Development Bank
ATF or Fund	–	Asian Tsunami Fund
Board	–	Board of Directors of ADB
DMC	–	developing member country
IC	–	instrument of contribution
OCO	–	Office of Cofinancing Operations
OCR	–	ordinary capital resources
RSDD	–	Regional and Sustainable Development Department
TA	–	Technical Assistance

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. In response to the special circumstances surrounding the developing member countries (DMCs) that were stricken by the effects of the tsunami on 26 December 2004, ADB proposes to establish a specialized fund (Asian Tsunami Fund, ATF or Fund) in order to effectively channel resources from ADB and other contributors to the DMCs which request urgent assistance. At the ASEAN Leaders Special Meeting held in Jakarta on 6 January 2005, the President affirmed ADB's commitment to be a key partner in a closely coordinated, international effort to rebuild the lives and livelihoods of all those affected. Toward this goal, ADB will provide assistance through the Fund in addition to its other operations.

2. The Fund will provide ADB with a dedicated source of grant financing to support priority rehabilitation and reconstruction needs on a multi-sector basis. The Fund will also accept contributions from bilateral and other contributors. ADB will make every effort to ensure the funds are rapidly and effectively disbursed from the ATF for technical assistance (TA) and investment projects in eligible DMCs.

II. RATIONALE FOR ESTABLISHMENT OF THE ASIAN TSUNAMI FUND

3. ADB does not currently have a facility to channel funds targeted specifically for disaster relief and reconstruction on a regional scale. Following extensive consultations with relevant stakeholders, it was determined that ADB should provide significant grant assistance through a dedicated fund for such purposes. The Fund will enable ADB to support reconstruction, rehabilitation and associated development activities in the tsunami-affected DMCs promptly and effectively. The Fund may also provide an expedient means for other development partners to extend their own grant resources on a joint basis with ADB.

III. OBJECTIVE OF THE ASIAN TSUNAMI FUND

4. The objective of the Fund is to pool and deliver emergency grant financing promptly and effectively to affected DMCs for TAs and investment projects to support reconstruction, rehabilitation and associated development activities following the tsunami disaster. In allocating resources from the Fund, priority will be given to activities that address immediate requirements.

IV. OPERATING PRINCIPLES

A. Eligibility Criteria

5. Resources from the Fund will be available to central governments and other suitable entities including, where appropriate, non-governmental organizations (NGOs), for activities in each of the tsunami-affected DMCs that have requested ADB assistance—India, Indonesia, Maldives, Sri Lanka and Thailand—on the terms and conditions set forth in this paper.

6. The Fund will be available to finance, as a matter of priority, immediate pre-reconstruction efforts and medium-term reconstruction and rehabilitation investments associated with the tsunami damage. The Fund will be used exclusively for the prompt restoration of services to the affected population and will not attempt to address long-term economic rehabilitation investments or sector or institutional problems unrelated to the tsunami disaster.

7. On an exceptional basis, Fund resources may be contributed to specific country or local funds established for the purpose of providing tsunami relief assistance in accordance with the objective of the ATF and in conformity with applicable ADB and ATF policies, procedures and regulations. Any such contribution must be approved by the Board.

8. Available sectors for financing include (a) public services and/or utilities, such as water supply and sanitation facilities, electricity (selected generation, transmission and distribution facilities) and communications, (b) infrastructure, such as roads, railways, urban transport (infrastructure and facilities), ports (fish, dry cargo and terminals), and airports, (c) social infrastructure and services, such as health and education infrastructure and services, (d) agriculture and fisheries, (e) housing, (f) restoring livelihoods, (g) containing environmental damage, particularly in the coastal areas, and (h) disaster prevention.

9. Fund recipients must ensure that ATF funds are ultimately deployed for their intended purposes on the same terms, conditions and principles as set forth in this paper (less applicable administrative charges).

B. Form of Assistance

10. Financial assistance from the Fund will be provided in the form of grants for TAs and investment projects. It is expected that ADB will present specific projects to its Board for approval on an expedited basis.

11. ATF resources will also be available to eligible ATF recipients as a means of supplementing ADB's normal lending and TA operations.¹ Fund resources may also be combined with other ADB resources and forms of bi-lateral or multi-lateral assistance, such as other dedicated funds, in order to provide the most favorable financing terms to tsunami-affected DMCs. Any such blended form of financing would be used solely in accordance with the objective of the ATF. Any DMC that shall borrow from ADB's OCR resources in conjunction with receiving grant resources from the Fund shall, in accordance with the ATF Grant Regulations (described below), draw down amounts under the ATF grant and OCR loan on a *pro rata* basis.

C. Country Allocations

12. Fund resources will be made available to the tsunami-affected DMCs as determined by ADB upon the completion of its needs-assessment activities. Such needs-assessments will take into account the extent of damages and their implications on national and local economies, the reconstruction and rehabilitation requirements, and assistance provided by other partner institutions and countries.

¹ This applies to project and sector loans made from ADB's Ordinary Capital Resources and Special Funds Resources (including the Asian Development Fund), as well as emergency loans made under ADB's *Disaster and Emergency Assistance Policy*.

V. ADOPTION OF NEW ATF REGULATIONS

13. As part of the establishment of the Fund, specific regulations and procedures have been formulated to govern the provision of grants for TAs and investment projects from Fund resources. Technical assistance will be provided in accordance with the Asian Tsunami Fund Technical Assistance Grant Regulations (ATF TA Regulations) while investment project grants will be provided in accordance with the Asian Tsunami Fund Grant Regulations (ATF Grant Regulations), each as set forth on Appendixes 1 and 2 hereto, respectively.

14. The ATF TA Regulations and ATF Grant Regulations will be incorporated by reference as an integral part of each agreement governing the specific terms and conditions of grants for TAs and investment projects financed by the ATF, as the case may be.

VI. IMPLEMENTATION ARRANGEMENTS

15. The TAs and investment projects to be financed by the Fund will be designed, processed, approved and implemented in accordance with applicable ADB policies, procedures and guidelines. ATF funds will be provided to recipient entities and disbursed on terms and conditions relating to procurement, consulting services, social safeguards, financial management and reporting, in each case, in line with ADB's policies and procedures.

16. ATF funds will be used to finance foreign exchange and/or local expenditures for goods, services and consultants from member countries following ADB's applicable guidelines and procedures. Considering their focus on disaster relief and reconstruction, TAs and investment projects funded through the ATF will not require any counterpart financing.

17. Except to the extent otherwise modified by this paper, the ATF TA Regulations or the ATF Grant Regulations, as the case may be, ADB's policies, procedures and guidelines for processing loans, including emergency assistance loans under ADB's *Disaster and Emergency Assistance Policy*, and for processing TAs shall be applicable to the activities financed by the Fund.

VII. CONTRIBUTIONS TO THE FUND

A. ADB Contributions

18. ADB proposes to contribute \$600,000,000 to the Fund in two tranches, subject to the approval of the Board of Governors of ADB.

B. Other Contributions

19. Commitments from other contributors must be received during the initial nine months of the Fund, and the contributions related to such commitments must be received within 12 months thereafter. Contributor commitments shall not be subject to any conditions, except as otherwise provided in this paper or as otherwise specifically approved by the Board.
20. ADB will accept contributions to the Fund from bilateral, multilateral and individual sources, including companies and foundations. Such contributions will be effected through instruments of contribution (ICs) to be executed by the individual contributors, substantially in the form of Appendix 3, whereby each contributor shall agree to contribute amounts to the Fund in accordance with the terms of this paper. By depositing an IC, the contributor shall be deemed to have accepted the terms and conditions set forth in this paper with respect to the resources contributed under such IC.
21. A contributor to the Fund may state a preference that its contribution be used to support either one or more of the sectors available for financing from the proceeds of the Fund or one or more eligible DMCs, or a combination thereof. In such case, the IC will reflect such preference and any such IC shall be deemed to be a "Qualified IC". ADB will use its best efforts to apply the contribution for such countries and/or sectors, as specified by the contributor. In the event that a contributor's preference cannot be accommodated, ADB may allocate the contribution to other sectors and/or DMCs with the agreement of the contributor.
22. Contributions to the Fund shall be made in the form of cash in a freely convertible currency. All ATF resources will be held in the Fund in US dollars. For contributions received in a currency other than US dollars, ADB will, upon receipt of the funds, convert them into US dollars and transfer them to the Fund.
23. Contributions to the Fund will be deposited into a United States dollar interest-bearing account to be specified by ADB. Interest earned and accrued on such amounts will be credited to the Fund. The resources of the Fund may be freely exchanged by ADB into other currencies as required.
24. ADB may invest the ATF funds, pending their disbursement, in any instrument in which ADB is authorized to invest its own funds. ADB shall credit any investment income to the Fund.
25. The minimum contribution to the ATF will be \$1,000,000, reflecting the fact that there are various fixed costs associated with processing and reporting on each contribution and smaller contributions would not be cost effective.
26. All amounts credited to the Fund will be used to provide financing to eligible recipients for TAs and investment projects that support reconstruction, rehabilitation and associated development activities in the tsunami-affected DMCs.
28. The Office of Cofinancing Operations (OCO) will act as the official channel of communication between the ATF contributors and ADB on financial matters related to the Fund. OCO will monitor and report on the Fund's financial performance and liaise with ATF contributors.

C. Operation and Termination of Fund

29. Requests from eligible recipients for funds to be allocated under the ATF must be received by ADB and legal documents must be executed by ADB and the recipient, in each case, within 18 months from the date on which the Fund is approved by the Board. The legal documents with respect to the financing must have become effective and disbursements must have commenced within 24 months from the date on which the Fund is approved by the Board. Any approved financing from the Fund that does not meet either of these conditions shall lapse automatically.

30. Unless otherwise agreed by the contributors and ADB, the Fund will terminate on the earlier of (a) the date five years from Board approval of the Fund or (b) such date as ATF funds will have been fully disbursed by ADB. At such time, except for actions necessary for winding up the activities of the Fund in an orderly and expeditious manner, ADB's functions in relation to the Fund will be considered terminated. The proposed duration is appropriate given the magnitude of the rehabilitation needs of the affected DMCs and the Fund's objective of financing immediate relief efforts.

31. Upon termination and subsequent liquidation of the Fund, unless otherwise agreed with the contributors, the undisbursed funds, including any applicable investment income, will be returned to the individual contributors and ADB in proportion to their respective contributions to the ATF; provided that any such funds remaining in the accounts of ATF contributors which have contributed funds pursuant to a Qualified IC shall be returned to the relevant contributors without proration.

VIII. ADMINISTRATION ARRANGEMENTS

32. With respect to ATF funds provided by contributors, ADB shall exercise the same care in the discharge of its functions under the Fund as it exercises with respect to its own affairs and shall have no further liability in respect of such funds. The privileges and immunities accorded to ADB under the Agreement Establishing the Asian Development Bank shall apply to all property, assets, income and operations of the Fund.

33. ADB shall establish and maintain separate records and accounts, in accordance with its normal procedures, that identify the contributions made to the Fund, the commitments to be financed out of the contributions, disbursement of funds and the expenditures financed by the Fund. These records and accounts will be audited annually by ADB's external auditors.

34. As a multi-donor fund, the ATF will commingle all contributions into a common pool; provided, however, that any grant funds contributed pursuant to Qualified ICs shall be held in separate accounts to facilitate the administration of such funds.

35. Eligible TAs and investment projects that come within the preferences stated in any Qualified IC will be financed first from the amounts contributed under such Qualified IC. Any shortfall will be financed out of the commingled funds held in the common pool. All other eligible TAs and investment projects will also be financed out of the commingled funds. For accounting purposes, amounts disbursed from the commingled funds will be charged to the contributions made by ADB and other contributors on a *pro rata* basis.

36. ADB will provide the contributors with periodic reports on the use of the Fund and the activities financed thereunder. Such reports will be made available to the Board. ADB will supervise ATF-funded operations in accordance with ADB's applicable policies and procedures and will periodically review the administration and operation of the Fund. ADB will circulate information regarding the amounts and recipients of grants under the Fund every six months to the contributors and to the Board for information. These reports will be detailed, outlining ADB's capacity to supervise, control or monitor the use of resources, performance on the ground and any issues of likely interest to the contributors and the Board.

37. The Fund will be held and administered by ADB separately from ADB's other resources. A service fee of 2% will be charged on each amount disbursed from the Fund to cover ADB's costs with respect to the administration, management, supervision and operation of the Fund. The service fee will be paid from the Fund (and not the disbursed amount) contemporaneously with the disbursement.

38. ADB will promptly inform the contributors and the Board of any major changes or developments affecting the activities financed out of the Fund, including any event that interferes, or threatens to interfere, with the successful implementation of such activities.

39. ADB may adopt additional rules for administering the Fund as may be determined by the Board from time to time.

40. Following the termination of the Fund, ADB shall, as soon as practicable, furnish to the contributors and the Board a final report on the operations financed from the Fund.

41. The Regional and Sustainable Development Department (RSDD) will be responsible for coordinating among the various ADB departments with respect to activities to be financed from the Fund. RSDD will also be the focal point for preparing the reports to be submitted to the Board and contributors.

42. The Director General, Strategy and Policy Department, is responsible for the overall interpretation and implementation of the Operating Principles of the Fund set forth in Section IV of this paper.

IX. RECOMMENDATION

43. It is recommended that the Board approve (a) the establishment and administration by ADB of the proposed Asian Tsunami Fund in accordance with the provisions set forth in this paper; (b) the acceptance by ADB of contributions to the Fund by bilateral, multilateral and individual sources upon the terms and conditions set forth in this paper; and (c) the adoption of the Asian Tsunami Fund Technical Assistance Grant Regulations and the Asian Tsunami Fund Grant Regulations as substantially set forth in Appendixes 1 and 2 hereto, respectively.

ASIAN TSUNAMI FUND TECHNICAL ASSISTANCE GRANT REGULATIONS

DATED [_____]

ARTICLE I**Application to Technical Assistance Grants**

Section 1.01. Purpose. The purpose of these Regulations is to set forth certain terms and conditions generally applicable to grants for technical assistance and related operational activities of ADB provided from the Asian Tsunami Fund.

Section 1.02. Application of Regulations. Any technical assistance agreement with ADB financed by a grant made from the Asian Tsunami Fund may provide that the parties thereto accept the provisions of these Regulations. To the extent so provided in any such agreement, these Regulations shall apply and shall govern the rights and obligations of the parties thereto with the same force and effect as if they were fully set forth therein. No revocation or amendment of these Regulations shall be effective in respect of any such agreement unless the parties shall so agree in writing.

Section 1.03. Inconsistency with Agreement. If any provision of a technical assistance agreement is inconsistent with a provision of these Regulations, the provision of the technical assistance agreement shall govern.

ARTICLE II**Definitions; Interpretation**

Section 2.01. Definitions. Except where the context otherwise requires, the following terms have the following meanings wherever used in these Regulations or in a technical assistance agreement to which these Regulations have been made applicable:

1. "ADB" means Asian Development Bank;
2. "DMC" means a developing member country;
3. "Dollar" or the sign "\$" each means the lawful currency of the United States of America;
4. "Fund" means the Asian Tsunami Fund of ADB established pursuant to [_____];
5. "Recipient" means the party to the TA Agreement to which ADB has agreed to provide the TA;

6. "TA" means the technical assistance financed by ADB from the Fund; and
7. "TA Agreement" means the particular technical assistance agreement to which these Regulations shall have been made applicable, all agreements supplementary to the TA Agreement and all schedules thereto, as such agreement may be amended from time to time; and such term includes these Regulations as thus made applicable.

Section 2.02. Interpretation. Except where the context otherwise requires, (i) references in these Regulations to Articles or Sections are to Articles or Sections of these Regulations; (ii) the headings of the Articles and Sections and the Table of Contents are inserted for convenience of reference only and are not a part of these Regulations; (iii) singular may include plural and vice versa; and (iv) a reference to any gender includes any other gender.

ARTICLE III

ELIGIBILITY AND USE OF PROCEEDS

Section 3.01. Activities to be Financed. Eligible activities for financing include the cost of expert services and related facilities required for TA or related operational activities (including staff training and development for eligible DMCs) to be carried out by ADB.

Section 3.02. Use of Proceeds. TA proceeds shall be used only for the purposes set forth in the relevant TA Agreement.

ARTICLE IV

Currency Provisions

Section 4.01. Denomination of the Grant. Except as the Board of Directors may otherwise determine, the TA grant shall be denominated in Dollars.

ARTICLE V

Particular Covenants

Section 5.01. Cooperation and Information. ADB and the Recipient shall cooperate fully to ensure that the purposes of the TA will be accomplished. To that end, ADB and the Recipient shall:

- (i) from time to time, at the request of either one of them, exchange views with regard to any matters relating to the progress of the TA, the

purposes of the TA, the performance of their respective obligations under the TA Agreement and furnish to the other party all such related information as it shall reasonably request; and

- (ii) promptly inform each other of any condition which interferes with, or threatens to interfere with, the matters referred to in paragraph (i) above.

ARTICLE VI

Enforceability; Failure to Exercise Rights; Arbitration

Section 6.01. Enforceability. (a) The rights and obligations of ADB and the Recipient under the TA Agreement shall be valid and enforceable in accordance with their terms and, where the Recipient is a member of ADB, notwithstanding the law of any state, or political subdivision thereof, to the contrary.

(b) Neither ADB nor the Recipient shall be entitled in any proceeding under this Article to assert any claim that any provision of the TA Agreement is invalid or unenforceable because of any provision of the Articles of Agreement Establishing the Asian Development Bank or for any other reason.

Section 6.02. Failure to Exercise Rights. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under the TA Agreement upon any default shall impair any such right, power or remedy, or be construed to be a waiver thereof or an acquiescence in any such default; nor shall the action of such party in respect of any default, or any acquiescence in any default, affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

Section 6.03. Arbitration. (a) Any controversy between the parties to the TA Agreement and any claim by any such party against any other such party arising under the TA Agreement which shall not be settled by agreement of the parties shall be submitted to arbitration by an Arbitral Tribunal as hereinafter provided.

(b) The parties to such arbitration shall be ADB on the one side, and the Recipient on the other side.

(c) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: one arbitrator shall be appointed by ADB; a second arbitrator shall be appointed by the Recipient; and the third arbitrator (hereinafter sometimes called the Umpire) shall be appointed by agreement of the parties or, if they shall not agree, by the President of the International Court of Justice or, failing appointment by him, by the Secretary-General of the United Nations. If either side shall fail to appoint an arbitrator, the Umpire shall appoint such arbitrator. In case any arbitrator appointed in accordance with this Section shall resign, die or become unable to act, a successor arbitrator shall be appointed in the same manner as herein prescribed for the appointment of the original arbitrator and such successor shall have all the powers and duties of such original arbitrator.

(d) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party or parties. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the relief sought and the name of the arbitrator appointed by the party instituting such proceeding. Within 30 days after the giving of such notice, the other party or parties shall notify the party instituting the proceeding of the name of the arbitrator appointed by such other party or parties.

(e) If within 60 days after the giving of the notice instituting the arbitration proceeding the parties shall not have agreed upon an Umpire, any party may request the appointment of an Umpire as provided in paragraph (c) of this Section.

(f) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.

(g) The law to be applied by the Arbitral Tribunal shall be public international law, the sources of which shall be taken for these purposes to include:

- (i) any relevant treaty obligations that are binding reciprocally on the parties;
- (ii) the provisions of any international conventions and treaties (whether or not binding directly as such on the parties) generally recognized as having codified or ripened into binding rules of customary law applicable to states and international institutions, as appropriate;
- (iii) other forms of international custom, including the practice of states and international institutions of such generality, consistency and duration as to create legal obligations; and
- (iv) applicable general principles of law.

(h) Subject to the provisions of this Section and except as the parties shall otherwise agree, the Arbitral Tribunal shall decide all questions relating to its competence and shall determine its procedure. All decisions of the Arbitral Tribunal shall be by majority vote.

(i) The Arbitral Tribunal shall afford to all parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral Tribunal shall constitute the award of such Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to the TA Agreement. Each party shall abide by and comply with any such award rendered by the Arbitral Tribunal in accordance with the provisions of this Section.

(j) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the Arbitral Tribunal shall convene, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between and borne equally by ADB on the one side, and the Recipient on the other side. The Arbitral Tribunal shall determine any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs.

(k) The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the settlement of controversies between the parties to the TA Agreement, and any claim by either party against the other such party arising thereunder.

(l) If within 30 days after the counterparts of the award have been delivered to the parties the award shall not be complied with, any party may enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party, and may enforce such judgment by execution or may pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of the TA Agreement. Notwithstanding the foregoing, this Section shall not authorize any entry of judgment or enforcement of the award against any party that is a member except as such procedure may be available otherwise than by reason of the provisions of this Section.

(m) Service of any notice or process in connection with any proceeding under this Section or (to the extent that such remedy shall be available) in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 7.01. The parties to the TA Agreement waive any and all other requirements for the service of any such notice or process.

ARTICLE VII

Miscellaneous Provisions

Section 7.01. Notices and Requests. Any notice or request required or permitted to be given or made under the TA Agreement, and any other agreement between any of the parties contemplated by the TA Agreement, shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex, facsimile or electronic mail to the party to which it is required or permitted to be given or made at such party's address specified in the TA Agreement or at such other address as such party shall have designated by notice to the party giving such notice or making such request.

Section 7.02. Authority to Take Action. Any action required or permitted to be taken, and any documents required or permitted to be executed, under the TA Agreement, on behalf of the Recipient, may be taken or executed by the representative of the Recipient designated in the TA Agreement for the purposes of this Section or any person thereunto authorized in writing by him. Any modification of the provisions of the TA Agreement may be agreed to on behalf of the Recipient, by written instrument executed on behalf of the Recipient by the representative so designated or any person authorized in writing by such representative; provided that, in the opinion of such representative or other person, such modification is reasonable in the circumstances and will not substantially increase the obligations of the Recipient under the TA Agreement. ADB may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative or other person any modification of the provisions of the TA Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the Recipient thereunder.

Section 7.03. Evidence of Authority. The Recipient shall furnish to ADB sufficient evidence of the authority of the person or persons who will, on behalf of the Recipient, take any action or execute any documents required or permitted to be taken or executed by the Recipient under the TA Agreement and the authenticated specimen signature of each such person.

Section 7.04. Execution in Counterparts. The TA Agreement may be executed in several counterparts, each of which shall be an original.

Purpose: Application to Investment Project Grants

Section 7.01. Purpose. The purpose of these Regulations is to set forth certain terms and conditions generally applicable to grants for investment projects made by ADB from the Asian Development Fund.

Section 7.02. Interpretation of Regulations. Any term appearing in these Regulations relating to a grant from the Asian Development Fund may provide that the parties thereto intend the provisions of these Regulations. In the event so provided in any such agreement, these provisions shall govern the rights and obligations of the parties thereto with the exception of those which are specifically stated to be subject to the provisions of an agreement. These provisions shall be subject to the provisions of any such agreement unless the parties shall otherwise agree.

Section 7.03. Independence with Grant Agreement. If any provision of a grant agreement is inconsistent with a provision of these Regulations, the provision of the grant agreement shall govern.

ARTICLE II

Definitions, Interpretation

Section 2.01. Definitions. Except where the context otherwise requires, the following terms have the following meanings whenever used in these Regulations or in a grant agreement to which these Regulations have been made applicable:

- 1. "ADB" means Asian Development Bank;
- 2. "asset" includes property, revenues and claims of any kind;
- 3. "country" of a company or a territory means such country as at the time referred to is listed under the payment of public debt and grants lists in that country in the relevant country;
- 4. "date" or the date" each means the lawful currency of the United States of America.

ASIAN TSUNAMI FUND GRANT REGULATIONS

DATED []

ARTICLE I

Purpose; Application to Investment Project Grants

Section 1.01. Purpose. The purpose of these Regulations is to set forth certain terms and conditions generally applicable to grants for investment projects made by ADB from the Asian Tsunami Fund.

Section 1.02. Application of Regulations. Any grant agreement with ADB relating to a grant from the Asian Tsunami Fund may provide that the parties thereto accept the provisions of these Regulations. To the extent so provided in any such agreement, these Regulations shall apply and shall govern the rights and obligations of the parties thereto with the same force and effect as if they were fully set forth therein. No revocation or amendment of these Regulations shall be effective in respect of any such agreement unless the parties shall so agree in writing.

Section 1.03. Inconsistency with Grant Agreement. If any provision of a grant agreement is inconsistent with a provision of these Regulations, the provision of the grant agreement shall govern.

ARTICLE II

Definitions; Interpretation

Section 2.01. Definitions. Except where the context otherwise requires, the following terms have the following meanings wherever used in these Regulations or in a grant agreement to which these Regulations have been made applicable:

1. "ADB" means Asian Development Bank;
2. "assets" includes property, revenues and claims of any kind;
3. "currency" of a country or a territory means such currency as at the time referred to is legal tender for the payment of public and private debts in that country or territory;
4. "Dollar" or the sign "\$" each means the lawful currency of the United States of America;

5. "Effective Date" means the date on which the Grant Agreement shall have come into force and effect pursuant to Section 9.03;
6. "Fund" means the Asian Tsunami Fund of ADB established pursuant to [_____];
7. "Grant" means the grant provided for in the Grant Agreement for investment projects;
8. "Grant Account" means the account opened or to be opened by ADB on its books in the name of the Recipient to which the amount of the Grant has been or will be credited;
9. "Grant Agreement" means the particular grant agreement to which these Regulations shall have been made applicable, all agreements supplementary to the Grant Agreement and all schedules thereto, as such agreement may be amended from time to time; and such term includes these Regulations as thus made applicable;
10. "Grant Closing Date" means the date specified in the Grant Agreement, after which ADB may terminate the right of the Recipient to make any withdrawals from the Grant Account, or such other date as may be agreed between ADB and the Recipient for such purpose;
11. "member" means a member of ADB;
12. "Project" means the investment project for which ADB has agreed to make the Grant, as described in the Grant Agreement and as such description may be amended from time to time by agreement between ADB and the Recipient;
13. "Project Agreement" means the project agreement, if any, between ADB and the Project Executing Agency, being the Project Agreement referred to in the Grant Agreement, as such agreement may be amended from time to time; and such term includes all agreements supplementary to the Project Agreement and all schedules to the Project Agreement;
14. "Project Executing Agency" means any entity responsible for the carrying out of the Project as specified in the Grant Agreement;
15. "Recipient" means the party to the Grant Agreement to which ADB has agreed to provide the Grant; and
16. "taxes" includes imposts, levies, fees and duties of any nature, whether in effect at the date of the Grant Agreement or thereafter imposed.

Section 2.02. Interpretation. Except where the context otherwise requires, (i) references in these Regulations to Articles or Sections are to Articles or Sections of these Regulations; (ii) the headings of the Articles and Sections and the Table of Contents are inserted for convenience of reference only and are not a part of these Regulations; (iii) singular may include plural and vice versa; and (iv) a reference to any gender includes any other gender.

ARTICLE III

Grant Account

Section 3.01. Grant Account. The principal amount of the Grant shall be credited to the Grant Account and may be withdrawn therefrom in accordance with the provisions of the Grant Agreement and these Regulations.

ARTICLE IV

Currency Provisions

Section 4.01. Denomination of the Grant. Except as the Board of Directors may otherwise determine, the Grant shall be denominated in Dollars.

Section 4.02. Currency of Withdrawal and Purchase of Currencies. Except as ADB and the Recipient shall otherwise agree, withdrawals from the Grant Account shall be made in the currency in which the Grant is denominated. ADB shall, at the request and acting as agent of the Recipient, use such currency to purchase the currencies in which the cost of goods and services to be financed out of the proceeds of the Grant has been paid or is payable.

ARTICLE V

Withdrawal of Grant Proceeds

Section 5.01. Withdrawal from the Grant Account. (a) Grant proceeds shall be used only for the purposes of the Project. Subject to any conditions or restrictions specified in the Grant Agreement, the Recipient shall be entitled to withdraw from the Grant Account such amounts as shall have been paid, or, if ADB shall so agree, such amounts as shall be required to meet payments to be made, for the reasonable cost of goods, services and any other expenditures required for the Project and to be financed under the Grant Agreement.

(b) Except as ADB and the Recipient shall otherwise agree, no withdrawals shall be made on account of (i) payments made prior to the Effective Date; and (ii) expenditures in the territory of any country which is not a member or for goods produced in, or services supplied from, such territory. ADB may refuse to finance a contract where goods and services have not been procured in accordance with procedures substantially in accordance with those agreed between the Recipient and ADB or where the terms and conditions of the contract are not satisfactory to ADB.

Section 5.02. Commitment Letters by ADB. Upon the Recipient's request, ADB may issue commitment letters to pay amounts in respect of the cost of goods and services to be financed under the Grant notwithstanding any subsequent suspension or cancellation.

Section 5.03. Application for Withdrawal. When the Recipient shall desire to withdraw any amount from the Grant Account or to request ADB to issue commitment letters pursuant to Section 5.02, the Recipient shall promptly deliver to ADB an application in such form and containing such statements, representations, warranties and agreements, as ADB shall reasonably request.

Section 5.04. Evidence of Authority to Sign Applications. The Recipient shall furnish to ADB sufficient evidence of the authority of the person authorized to sign applications for withdrawal and the authenticated specimen signature of each person.

Section 5.05. Supporting Evidence. The Recipient shall furnish to ADB such documents and other evidence in support of the application for withdrawal as ADB shall reasonably request, whether before or after ADB shall have permitted any withdrawal requested in the application.

Section 5.06. Sufficiency of Applications and Documents. Each application for withdrawal and the accompanying documents and all other evidence must be sufficient in form and substance to satisfy ADB that the Recipient is entitled to withdraw from the Grant Account the amount applied for and that the amount to be withdrawn from the Grant Account is to be used only for the purposes specified in the Grant Agreement.

Section 5.07. Payment by ADB. Payment by ADB of amounts which the Recipient is entitled to withdraw from the Grant Account shall be made to or on the order of the Recipient.

ARTICLE VI

Particular Covenants

Section 6.01. Cooperation and Information. (a) ADB and the Recipient shall cooperate fully to ensure that the purposes of the Grant will be accomplished. To that end, ADB and the Recipient shall:

- (i) from time to time, at the request of either one of them, exchange views with regard to any matters relating to the progress of the Grant, the purposes of the Grant, the performance of their respective obligations under the Grant Agreement and the performance by the Project Executing Agency of its obligations under the Project Agreement, and furnish to the other party all such related information as it shall reasonably request; and
- (ii) promptly inform each other of any condition which interferes with, or threatens to interfere with, the matters referred to in paragraph (a)(i) above.

(b) Where the Recipient is a member, such member shall afford all reasonable opportunity for ADB's representatives to visit any part of its territory for purposes related to the Grant.

Section 6.02. Insurance. (a) The Recipient shall take out and maintain with responsible insurers, or make other arrangements satisfactory to ADB for, insurance against such risks and in such amounts as shall be consistent with sound practice. The Recipient shall be deemed to have opted for self-insurance in the absence of any specific insurance for the Project.

(b) Without limiting the generality of the foregoing, the Recipient undertakes to insure, or cause to be insured, the goods to be imported for the Project and to be financed out of the proceeds of the Grant against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable to replace or repair such goods.

Section 6.03. Records, Accounts and Audits. The Recipient shall maintain, or cause to be maintained, records and accounts adequate to identify the goods and services and other items of expenditure financed out of the proceeds of the Grant, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting principles, the operations and financial condition of the Recipient.

Section 6.04. Reports. (a) The Recipient shall furnish, or cause to be furnished, to ADB all such reports as ADB shall reasonably request concerning (i) the Grant, and the expenditure of the proceeds and maintenance of the service thereof; (ii) the goods and services and other items of expenditure financed out of the proceeds of the Grant; (iii) the Project and the Project Executing Agency; (iv) the administration and operations of the Recipient; and (v) any other matters relating to the purposes of the Grant.

(b) Without limiting the generality of the foregoing, the Recipient shall furnish to ADB quarterly reports, or reports at such other later intervals as may be agreed for this purpose between ADB and the Recipient on the execution of the Project, on the accomplishment of the targets and actions agreed between the ADB and the Recipient, and on the operation and management of the Project facilities. Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problems encountered during the quarter under review, steps taken or proposed to be taken to remedy these problems, and proposed program of activities and expected progress during the following quarter.

(c) Promptly after physical completion of the Project, but in any event not later than three months thereafter or such later date as may be agreed for this purpose between the Recipient and ADB, the Recipient shall prepare and furnish to ADB a report, in such form and in such detail as ADB shall reasonably request, on the execution and initial operation of the Project, including its cost, the performance by the Recipient of its obligations under the Grant Agreement and the accomplishment of the purposes of the Grant.

Section 6.05. Counterpart Obligations and Land Acquisition. The Recipient shall make available, promptly as and when needed, the funds, facilities, services, land, and other resources as shall be necessary or required, in addition to the proceeds of the Grant, for the carrying out of the Project and for the operation and maintenance of the Project facilities. The Recipient shall furnish to ADB, promptly at its request, evidence satisfactory to ADB that such funds, facilities, services, land, and other resources are available for purposes related to the Project.

Section 6.06. Work Schedules, Plans and Design Standards. The Recipient shall cause the Project to be carried out in accordance with plans, design standards, specifications, work schedules and construction methods acceptable to the Recipient and ADB, as applicable. When required by ADB, the Recipient shall furnish, or cause to be furnished, to ADB, promptly after their preparation, such plans, design standards, specifications and work schedules, and any material modifications subsequently made therein, in such detail as ADB shall reasonably request.

Section 6.07. General Undertakings. (a) The Recipient shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound applicable financial, business and development practices.

(b) The Recipient shall ensure that the activities of its departments and agencies with respect to the carrying out of the Project and operation of the Project facilities are conducted and coordinated in accordance with sound administrative policies and procedures.

Section 6.08. Contractors and Consultants. Whenever applicable, in the carrying out of the Project, the Recipient shall cause competent and qualified consultants and contractors, acceptable to the Recipient and ADB, to be employed to an extent and upon terms and conditions satisfactory to the Recipient and ADB.

Section 6.09. Maintenance. The Recipient shall ensure that any facilities relevant to the Project are operated, maintained and repaired in accordance with sound operational and maintenance practices. The Recipient shall promptly as needed, make or cause to be made all necessary repairs and renewals thereof.

ARTICLE VII

Exemption from Taxation

Section 7.01. Exemption from Taxation. (a) Where the Recipient is a member, such member shall ensure that the Grant Agreement and the Project Agreement, are exempt from any taxes levied by, or in the territory of, such member on or in connection with the execution, delivery or registration thereof.

(b) Where the Recipient is not a member, the Recipient shall obtain from the member, in whose territory the Project is to be carried out, and furnish to ADB, prior to the Effective Date, evidence, satisfactory to ADB, that the Grant Agreement and the Project Agreement, will be exempt from any taxes levied by, or in the territory of, such member on or in connection with the execution, delivery or registration thereof.

ARTICLE VIII

Suspension and Cancellation

Section 8.01. Suspension by ADB. If any of the following events shall have occurred at any time after the date of the Grant Agreement and be continuing, ADB may by notice to the Recipient suspend in whole or in part the right of the Recipient to make withdrawals from the Grant Account:

- (a) The Recipient shall have failed to make payment of principal, interest charge or any other charge required under (i) any loan agreement or guarantee agreement with ADB; or (ii) in consequence of any guarantee or other financial obligation of any kind extended by ADB to any third party with the agreement of the Recipient.
- (b) The Recipient shall have failed to perform any of its obligations under the Grant Agreement.
- (c) The Project Executing Agency shall have failed to perform any of its obligations under the Project Agreement.
- (d) ADB shall have suspended in whole or in part the right of the Recipient to make withdrawals under any other grant agreement or any loan agreement with ADB because of a failure by the Recipient to perform any of its obligations under such grant agreement or loan agreement or any related guarantee agreement with ADB.
- (e) A situation shall have arisen or developed which in the reasonable opinion of ADB will or may make it improbable that the Project can be successfully carried out or that the Recipient or the Project Executing Agency will be able to perform any of its obligations under the Grant Agreement or the Project Agreement.
- (f) The member in whose territory the Project is to be carried out shall have been suspended from membership in, or ceased to be a member of, ADB, or shall have delivered a notice to withdraw from ADB.
- (g) A representation made by the Recipient in or pursuant to the Grant Agreement or any statement furnished in connection therewith and intended to be relied upon by ADB in making the Grant, shall have been incorrect in any material respect, or, where the Recipient is not a member, any material adverse change in the condition of the Recipient as so represented by the Recipient shall have occurred in the reasonable opinion of ADB.
- (h) Where the Recipient is not a member, the member in whose territory the Project is to be carried out or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of the Recipient, the alienation or transfer of any of its assets other than in the normal course of business, or for the suspension of its operations.
- (i) Any authority having jurisdiction shall have taken any action for the dissolution or disestablishment of the Project Executing Agency, the alienation or transfer of

any of its assets other than in the normal course of business, or for the suspension of its operations.

- (j) ADB shall have determined, with respect to any contract to be financed in full or in part out of the proceeds of the Grant, that corrupt, fraudulent, collusive or coercive practices, as determined by ADB, were engaged in by representatives of the Recipient or any beneficiary of the Grant during the procurement of goods and services, consultants' selection or the execution of a contract, without the Recipient having taken timely and appropriate action satisfactory to ADB to remedy the situation; or ADB shall have determined that the procurement of any goods or services to be financed out of the proceeds of the Grant is inconsistent with the relevant procedure set out in the Grant Agreement.
- (k) Any other event specified in the Grant Agreement for the purposes of this Section shall have occurred.

The right of the Recipient to make withdrawals from the Grant Account shall continue to be suspended in whole or in part, as the case may be, until the event which gave rise to such suspension shall have, in the reasonable opinion of ADB, ceased to exist or until ADB shall have notified the Recipient that the right to make withdrawals has been restored in whole or in part, whichever is the earlier.

Section 8.02. Cancellation by ADB. If (i) the right of the Recipient to make withdrawals from the Grant Account shall have been suspended with respect to any amount of the Grant for a continuous period of 30 days; or (ii) at any time ADB determines, after consultation with the Recipient, that any amount of the Grant will not be required for the purposes of the Project; (iii) by the date specified in the Grant Agreement as the Grant Closing Date, an amount of the Grant shall remain unwithdrawn from the Grant Account; or (iv) at any time ADB determines, with respect to any contract to be financed in full or in part out of the proceeds of the Grant, that corrupt, fraudulent, collusive or coercive practices, as determined by ADB, were engaged in by representatives of the Recipient or any beneficiary of the Grant during the procurement of goods and services, consultants' selection or the execution of a contract, without the Recipient having taken timely and appropriate action satisfactory to ADB to remedy the situation; or (v) at any time, ADB determines that the procurement of any goods or services to be financed out of the proceeds of the Grant is inconsistent with the procedure set out in the Grant Agreement, ADB may by notice to the Recipient terminate the right of the Recipient to make withdrawals with respect to such amount. Upon the giving of such notice, such amount of the Grant shall be cancelled.

Section 8.03. Cancellation by the Recipient. After consultation with ADB, the Recipient may by notice to ADB cancel any amount of the Grant which the Recipient shall not have withdrawn prior to the giving of such notice.

Section 8.04. Amounts Subject to Commitment Letters. No suspension or cancellation shall apply to amounts subject to any commitment letter issued by ADB pursuant to Section 5.02 except as expressly provided in such commitment letter.

Section 8.05. Effectiveness of Provisions After Suspension or Cancellation. Notwithstanding any cancellation or suspension, all the provisions of the Grant Agreement and the Project Agreement shall continue in full force and effect except as specifically provided in this Article.

ARTICLE IX

Effectiveness; Termination

Section 9.01. Conditions Precedent to Effectiveness. The Grant Agreement shall not become effective until evidence satisfactory to ADB shall have been furnished to ADB that:

- (a) the execution and delivery of the Grant Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary corporate and governmental action;
- (b) where there is a Project Agreement, the execution and delivery of the Project Agreement on behalf of the Project Executing Agency shall have been duly authorized or ratified by all necessary corporate, administrative and governmental action;
- (c) where the Recipient is not a member, the condition of the Recipient, as represented to ADB at the date of the Grant Agreement, has undergone no material adverse change between such date and the date agreed upon between the Recipient and ADB for the purposes of this Section, provided that ADB shall have requested such evidence;
- (d) where the Recipient, is not a member, the requirements Section 7.01(b) have been fulfilled; and
- (e) all other events specified in the Grant Agreement as additional conditions to its effectiveness have occurred.

Section 9.02. Legal Opinions. As part of the evidence to be furnished pursuant to Section 9.01, the Recipient shall furnish, or cause to be furnished, to ADB an opinion or opinions satisfactory to ADB of counsel acceptable to ADB showing:

- (a) on behalf of the Recipient, that the Grant Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms;
- (b) on behalf of the Project Executing Agency where there is a Project Agreement, that the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Project Executing Agency and is legally binding upon the Project Executing Agency in accordance with its terms; and
- (c) such other matters as shall be specified in the Grant Agreement.

Section 9.03. Effective Date. (a) Except as ADB and the Recipient shall otherwise agree, the Grant Agreement shall come into force and effect on the date upon which ADB dispatches to the Recipient notice of its acceptance of the evidence required by Section 9.01.

(b) If, before the Effective Date, any event shall have occurred which would have entitled ADB to suspend the right of the Recipient to make withdrawals from the Grant Account if the Grant Agreement had been effective, ADB may postpone the dispatch of the notice referred to in paragraph (a) of this Section until such event shall have ceased to exist.

Section 9.04. Termination for Failure to Become Effective. If the Grant Agreement shall not have come into force and effect by the date specified in the Grant Agreement for the purposes of this Section, the Grant Agreement and all obligations of the parties thereunder shall terminate, unless ADB, after consideration of the reasons for the delay, shall establish a later date for the purposes of this Section. ADB shall promptly notify the Recipient of such later date.

ARTICLE X

Enforceability; Failure to Exercise Rights; Arbitration

Section 10.01. Enforceability. (a) The rights and obligations of ADB and the Recipient under the Grant Agreement shall be valid and enforceable in accordance with their terms and, where the Recipient is a member, notwithstanding the law of any state, or political subdivision thereof, to the contrary.

(b) Neither ADB nor the Recipient shall be entitled in any proceeding under this Article to assert any claim that any provision of the Grant Agreement is invalid or unenforceable because of any provision of the Articles of Agreement Establishing the Asian Development Bank or for any other reason.

Section 10.02. Failure to Exercise Rights. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under the Grant Agreement upon any default shall impair any such right, power or remedy, or be construed to be a waiver thereof or an acquiescence in any such default; nor shall the action of such party in respect of any default, or any acquiescence in any default, affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

Section 10.03. Arbitration. (a) Any controversy between the parties to the Grant Agreement and any claim by any such party against any other such party arising under the Grant Agreement which shall not be settled by agreement of the parties shall be submitted to arbitration by an Arbitral Tribunal as hereinafter provided.

(b) The parties to such arbitration shall be ADB on the one side, and the Recipient on the other side.

(c) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: one arbitrator shall be appointed by ADB; a second arbitrator shall be appointed by the Recipient; and the third arbitrator (hereinafter sometimes called the Umpire) shall be appointed by agreement of the parties or, if they shall not agree, by the President of the International Court of Justice or, failing appointment by him, by the Secretary-General of the United Nations. If either side shall fail to appoint an arbitrator, the Umpire shall appoint such arbitrator. In case any arbitrator appointed in accordance with this Section shall resign, die or become unable to act, a successor arbitrator shall be appointed in the same manner as herein prescribed for the

appointment of the original arbitrator and such successor shall have all the powers and duties of such original arbitrator.

(d) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party or parties. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the relief sought and the name of the arbitrator appointed by the party instituting such proceeding. Within 30 days after the giving of such notice, the other party or parties shall notify the party instituting the proceeding of the name of the arbitrator appointed by such other party or parties.

(e) If within 60 days after the giving of the notice instituting the arbitration proceeding the parties shall not have agreed upon an Umpire, any party may request the appointment of an Umpire as provided in paragraph (c) of this Section.

(f) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.

(g) The law to be applied by the Arbitral Tribunal shall be public international law, the sources of which shall be taken for these purposes to include:

(v) any relevant treaty obligations that are binding reciprocally on the parties;

(vi) the provisions of any international conventions and treaties (whether or not binding directly as such on the parties) generally recognized as having codified or ripened into binding rules of customary law applicable to states and international institutions, as appropriate;

(vii) other forms of international custom, including the practice of states and international institutions of such generality, consistency and duration as to create legal obligations; and

(viii) applicable general principles of law.

(h) Subject to the provisions of this Section and except as the parties shall otherwise agree, the Arbitral Tribunal shall decide all questions relating to its competence and shall determine its procedure. All decisions of the Arbitral Tribunal shall be by majority vote.

(i) The Arbitral Tribunal shall afford to all parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral Tribunal shall constitute the award of such Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to the Grant Agreement. Each party shall abide by and comply with any such award rendered by the Arbitral Tribunal in accordance with the provisions of this Section.

(j) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the Arbitral Tribunal shall convene, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be

divided between and borne equally by ADB on the one side, and the Recipient on the other side. The Arbitral Tribunal shall determine any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs.

(k) The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the settlement of controversies between the parties to the Grant Agreement, and any claim by either party against the other such party arising thereunder.

(l) If within 30 days after the counterparts of the award have been delivered to the parties the award shall not be complied with, any party may enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party, and may enforce such judgment by execution or may pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of the Grant Agreement. Notwithstanding the foregoing, this Section shall not authorize any entry of judgment or enforcement of the award against any party that is a member except as such procedure may be available otherwise than by reason of the provisions of this Section.

(m) Service of any notice or process in connection with any proceeding under this Section or (to the extent that such remedy shall be available) in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 11.01. The parties to the Grant Agreement waive any and all other requirements for the service of any such notice or process.

ARTICLE XI

Miscellaneous Provisions

Section 11.01. Notices and Requests. Any notice or request required or permitted to be given or made under the Grant Agreement, and any other agreement between any of the parties contemplated by the Grant Agreement, shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex, facsimile or electronic mail to the party to which it is required or permitted to be given or made at such party's address specified in the Grant Agreement or at such other address as such party shall have designated by notice to the party giving such notice or making such request.

Section 11.02. Authority to Take Action. Any action required or permitted to be taken, and any documents required or permitted to be executed, under the Grant Agreement, on behalf of the Recipient, may be taken or executed by the representative of the Recipient designated in the Grant Agreement for the purposes of this Section or any person thereunto authorized in writing by him. Any modification of the provisions of the Grant Agreement may be agreed to on behalf of the Recipient, by written instrument executed on behalf of the Recipient by the representative so designated or any person authorized in writing by such representative; provided that, in the opinion of such representative or other person, such modification is reasonable in the circumstances and will not substantially increase the obligations of the Recipient under the Grant Agreement. ADB may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative or other person any modification of the provisions of the Grant Agreement

effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the Recipient thereunder.

Section 11.03. Evidence of Authority. The Recipient shall furnish to ADB sufficient evidence of the authority of the person or persons who will, on behalf of the Recipient, take any action or execute any documents required or permitted to be taken or executed by the Recipient under the Grant Agreement and the authenticated specimen signature of each such person.

Section 11.04. Execution in Counterparts. The Grant Agreement may be executed in several counterparts, each of which shall be an original.

ARTICLE XI

Miscellaneous Provisions

Section 11.01. Notices and Requests. Any notice or request required or permitted to be given or made under the Grant Agreement, and any other agreement between any of the parties contemplated by the Grant Agreement, shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, fax, facsimile or electronic mail to the party to which it is required or permitted to be given or made at such party's address specified in the Grant Agreement or at such other address as such party shall have designated by notice to the party giving such notice or making such request.

Section 11.02. Authority to Take Action. Any action required or permitted to be taken and any documents required or permitted to be executed under the Grant Agreement on behalf of the Recipient may be taken or executed by the representative of the Recipient designated in the Grant Agreement for the purpose of this Section or any person thereafter authorized in writing by him. Any modification of the provisions of the Grant Agreement may be agreed to on behalf of the Recipient by written instrument executed on behalf of the Recipient by the representative so designated or any person authorized in writing by such representative provided that in the opinion of such representative or other person such modification is reasonable in the circumstances and will not substantially increase the obligations of the Recipient under the Grant Agreement. ADB may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative or other person any modification of the provisions of the Grant Agreement

INSTRUMENT OF CONTRIBUTION

[date]

Asian Development Bank
#6 ADB Avenue
Mandaluyong City
Philippines

[Name and identity of contributor] (hereinafter referred to as the "Contributor") hereby undertakes to contribute to the Asian Tsunami Fund (the "Fund") in an amount of [\$___] in accordance with the provisions of the [Board Paper entitled "Asian Tsunami Fund"] of the Asian Development Bank (the "Paper") and subject to the terms and conditions set forth in the Paper.

The contribution will be paid to the Asian Development Bank in the form of immediately available funds on or prior to [specify date].

The contribution shall be paid into [ADB to specify account details].

[The funds contributed hereunder shall be available only for projects [list sector and/or country limitations, if any].

Dated this ____ day of _____ 2005.

For and on behalf of

INSTRUMENT OF CONTRIBUTION

[date]

Asian Development Bank
665 ADB Avenue
Mandaluyong City
Philippines

[Name and identity of contributor] (hereinafter referred to as the "Contributor") hereby undertakes to contribute to the Asian Tsunami Fund (the "Fund") in an amount of [\$] in accordance with the provisions of the Board Paper entitled "Asian Tsunami Fund" of the Asian Development Bank (the "Paper") and subject to the terms and conditions set forth in the Paper.

The contribution will be paid to the Asian Development Bank in the form of immediately available funds on or prior to [specify date].

The contribution shall be paid into [ADB to specify account details].

[The funds contributed hereunder shall be available only for projects in sector and/or country/regions, if any].

Dated this _____ day of _____, 2005.

For and on behalf of _____

ABBREVIATIONS AND ACRONYMS

ARN	Authority for Rebuilding the Nation (Sri Lanka)
ADB	Asian Development Bank
ASEAN	Association of South-East Asian Nations
CAS	Country Assistance Strategy
CDRAP	Comprehensive Development and Infrastructure Action Plan (Sri Lanka)
CGI	Consultative Group Indonesia
EDA	Economic development agency
FMTAAS	Funding Mechanism for Technical Assistance and Advisory Services (TRC)
FY	Fiscal year
GDP	Gross domestic product
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IMR	International Monetary Fund
IT	Investment promotion authority
ITC	Japan Bank for International Cooperation
LEAS	Low Income Country Under Grant
MDF	Multi-Donor Trust Fund
MIDA	Multi-lateral Investment Guarantee Agency
NGO	Non-governmental organization
OPCS	Operations Policy and Country Services / Job Presidency
PPP	Public-private partnership
PR	Political risk insurance
PRS	Private sector strategy
SME	Small and medium enterprises
T	Technical assistance
TAFREN	Task Force to Rebuild the Nation (Sri Lanka)
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
USAID	United States Agency for International Development
WFP	World Food Programme (United Nations)

WORLD BANK RESPONSE TO THE TSUNAMI DISASTER

FEBRUARY 2, 2005

ABBREVIATIONS AND ACRONYMS

ARN	Authority for Rebuilding the Nation (Sri Lanka)
AsDB	Asian Development Bank
ASEAN	Association of South-East Asian Nations
CAS	Country Assistance Strategy
CDIRAP	Comprehensive Development and Infrastructure Action Plan (Sri Lanka)
CGI	Consultative Group Indonesia
EDA	Economic development agency
FMTAAS	Funding Mechanism for Technical Assistance and Advisory Services (IFC)
FY	Fiscal year
GDP	Gross domestic product
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IMF	International Monetary Fund
IPI	Investment promotion intermediary
JBIC	Japan Bank for International Cooperation
JSDF	Japan Social Development Fund
LICUS	Low-Income Country Under Stress
MDTF	Multi-Donor Trust Fund
MIGA	Multilateral Investment Guarantee Agency
NGO	Nongovernmental organization
OPCS	Operations Policy and Country Services Vice Presidency
PPP	Public-private partnerships
PRI	Political risk insurance
PRS	Poverty reduction strategy
SME	Small and medium enterprise
TA	Technical assistance
TAFREN	Task Force to Rebuild the Nation (Sri Lanka)
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
USAID	United States Agency for International Development
WFP	World Food Programme (United Nations)

WORLD BANK RESPONSE TO THE TSUNAMI DISASTER

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WORLD BANK RESPONSE TO THE TSUNAMI DISASTER

EXECUTIVE SUMMARY

1. The tsunami disaster in the Indian Ocean is one of the worst natural disasters in modern times. Well over 200,000 people died and more than 1.5 million people lost their homes and often their livelihoods. Losses are estimated to total more than US\$7 billion. Private assets, including housing and business equipment, account for the largest share of the losses. In the largest countries, the impact on GDP is likely to be minimal, but the damage in the affected areas is extreme. As reported below, poor people were disproportionately affected. However, the countries that suffered the disaster have already responded decisively.
2. **Country Leadership.** Except for Somalia, in all cases governments have provided the leadership in the aftermath of the disaster. They have effectively drawn on the support of United Nations (UN) agencies and bilateral donors for short-term disaster relief. These efforts have been successful in providing emergency food, shelter, and medical supplies to most of the survivors and averting widespread hunger or disease. While continuing these relief efforts—hundreds of thousands of people continue to live in temporary housing and are dependent on food assistance—governments quickly moved to the first phases of recovery. Most have looked to the World Bank for substantial support in this process.
3. **Financial Assistance.** There has been an unprecedented outpouring of support for the affected regions. The UN has documented US\$5.3 billion in commitments from public sources. Donations from private citizens have also been unprecedented; recent estimates put private contributions at US\$1 billion to US\$2 billion. (World Bank staff alone contributed more than US\$650,000 to private charities in just a few days.) Consistent with their mandates, UN agencies took the lead in multilateral support for relief efforts. In a first phase of support, the World Bank stands ready in the coming months to provide financing, essentially through IDA, on the order of US\$246 million for Indonesia, US\$14 million for Maldives, and US\$150 million for Sri Lanka, drawing on IDA13. (Table 7 provides information on this first phase of support, along with *indicative* numbers for the next phase.) The level of support for India will be determined after the outcome of the joint Government of India-World Bank-Asian Development Bank-United Nations Development Programme needs assessment that began on February 1.
4. **World Bank Response.** The disaster brought out the best in World Bank staff and demonstrated the effectiveness of decentralization. The Bank moved quickly to (a) provide assistance on the ground in affected countries for expedited recovery planning; (b) mobilize its financial support; and (c) help coordinate rehabilitation and recovery support, when asked to do so by the authorities in the affected countries. As noted below, the staff in country offices stepped in to work side-by-side with government counterparts and other partners, notably the Asian Development Bank, in mounting damage, loss, and needs assessments. In the case of Maldives, the Bank quickly established a country presence, which it will maintain during the urgent recovery phase. The Bank was able to use its comparative advantage—in-house expertise on recovery and reconstruction, knowledge of the overall economies of these countries, sectoral knowledge from operations and analytic work, procurement and financial management skills, and experience with donor coordination and reconstruction financing—in assisting

countries in formulating their recovery plans. In Somalia and the Seychelles, where the Bank does not have active programs, Regional staff were able to provide assistance to the lead support agencies and identify financing options outside of Bank operations. Disaster mitigation will be an element of Bank support, but other international organizations will take the lead initially.

5. **Principles of World Bank Support.** Three principles have guided Bank support for tsunami recovery efforts. First, the governments of the affected countries must have the central role and ownership of the recovery efforts. Second, communities should be involved in assessing their needs and designing recovery programs, linked to long-term strategies for growth and poverty reduction. It is important that reconstruction be undertaken in ways that help to break the cycle of poverty in these communities. Third, the international community must act in coordination, both in the relief and the recovery phases, to ensure efficient use of donor resources, and work with the governments of affected countries to set clear goals and monitor and evaluate progress.

6. **Bank Grants.** A separate proposal is under preparation that would recommend that the World Bank on an exceptional basis provide US\$27.5 million to Trust Funds for India and Indonesia, proportional to the magnitude of the disaster in each country. Because of their blend status, these countries are not eligible for grants under the IDA13 emergency provisions. These grants are justified by the extraordinary magnitude of the disaster, the poverty of the affected areas, and the possibility of using these funds to mobilize grant funds from other donors.

7. **Next Steps.** As the needs assessments are completed, the World Bank will finalize work on emergency reconstruction credits and grants for the most affected countries that have asked for assistance: India, Indonesia, Maldives, and Sri Lanka. The Bank will continue to support partners in providing assistance to Seychelles and Somalia, using relatively small scale non-operational grant funding. Governments will update the reconstruction cost estimates as emergency operations are prepared. These operations will come to the Board for discussion, beginning in late February. The first operations to come are likely to be those involving restructuring of existing projects. The discussions of these operations will provide an opportunity for Executive Directors to review reconstruction estimates and plans, their implementation, and the scale of World Bank support. We expect to report back to the Board on the overall reconstruction efforts in about three months. Beyond the immediate relief efforts, it is clear that a concerted World Bank Group-wide effort, also involving IFC and MIGA, will be necessary to meet the broader reconstruction needs of the affected countries.

WORLD BANK RESPONSE TO THE TSUNAMI DISASTER

I. BACKGROUND

1. On December 26, 2004, at 7:58 a.m. local time in Indonesia, an earthquake of magnitude 9.0 on the Richter Scale—more precisely categorized as a megathrust earthquake—occurred in the Indian Ocean near the west coast of northern Sumatra, along a fault line where the Indo-Australian tectonic plate subducts the Burmese microplate. This earthquake, the fourth largest in the world since 1900 and the largest in 40 years, led to a 10-meter displacement of the seabed, which triggered large tsunamis that surged with catastrophic force against at least 12 countries, reaching as far as the Horn of Africa. In little more than one hour, tsunamis struck the western coastline of Thailand; two hours later Sri Lanka and the east coast of India were hit; and a surge swelled over the low-lying Maldives a short time later. Several hours later, a tsunami reached the African coast, causing further loss of life and damage, notably in Somalia and the Seychelles.

2. *Update on Casualties and Displacements.* It is likely that the world will never know exactly how many people died as a result of the tsunamis. The death toll now is well over 200,000 people, with another 1.5 million people displaced (see Table 1). By far the largest number of deaths occurred in Indonesia, because of its proximity to the earthquake, followed by Sri Lanka. To date, emergency relief efforts appear to have reached a large majority of the survivors in all affected countries with the necessary food, water, and medical supplies to avert famine, the spread of disease, and further major loss of life. However, the damage has been substantial, and hundreds of thousands of people continue to live in temporary shelters and to be dependent on emergency assistance. Now the process of recovery and reconstruction begins.

Table 1. Human Cost

	India ^a	Indonesia ^b	Maldives ^c	Sri Lanka ^c	Somalia ^d	Seychelles ^e
Loss of Life	10,479	108,240	83	30,956	150	3
Still Missing	5,640	127,773	25	5,637		
Injuries	6,913		1,300	15,196		
Displaced	647,599	426,849	21,633	408,407	5,000	40

^a Figures provided by Government of India, Ministry of Home Affairs, 1/18/05.

^b BAKORNAS (31/01/05)

^c Figures for loss of life and missing provided by Maldives National Disaster Management Center, 1/18/05; displaced figure provided by UNOCHA, 1/20/05.

^d Figures provided by UNOCHA, 1/14/05.

^e Figure for loss of life provided by UNOCHA, 1/14/05; displaced figure provided by UN/Seychelles and USAID, 1/12/05.

Note: These figures relate to countries that have to date sought World Bank assistance; other countries have also suffered, such as Thailand, which anticipates loss of human life in excess of 8,000 people, and Myanmar.

3. *Worldwide Financial Support.* Worldwide support for the victims of the tsunami has been overwhelming. The United Nations puts public-source commitments of assistance (not including the World Bank and Asian Development Bank) at about US\$5.3 billion (see Table 2). Private donations are estimated at US\$1 billion to US\$2 billion. The United Nations Flash Appeal in Geneva in January raised more than \$700 million for UN agencies for relief and early recovery efforts. This level of potentially available assistance makes donor coordination crucial, and the Bank has been asked by most affected countries to help in this regard.

Table 2. Total Funds Pledged for Tsunami Relief (US\$, millions)

Bilaterals	4,505
UN Agencies	139
European Commission	616
National Red Cross/Red Crescent	27
Other	11
Total	5,299

Note: These figures do not include World Bank or Asian Development Bank contributions.

Source: United Nations.

II. COUNTRY DAMAGE ASSESSMENTS

4. The summaries below cover mainly the countries that have asked for IDA support in reconstruction and recovery efforts. They do not cover, for example, Thailand, which also suffered major loss of life and destruction to property, or Malaysia and Myanmar, which suffered more minor losses but are not seeking substantial support from the World Bank or other donors (see Table 3).

Table 3. Estimated Losses (US\$, millions)

	<i>Indonesia</i>	<i>Maldives</i>	<i>Sri Lanka</i>
Public Assets	990	120-260	300
Private Assets	3,460	190-250	670-700
Total	4,450	310-510	970-1,000

Note: Because of differences in methodologies, the totals are not strictly comparable.

A. Indonesia

5. Indonesia was the country worst hit by the catastrophic earthquake and tsunami. The brunt of the devastation affected two districts in North Sumatra province, and in particular the northern and western coastal communities of Banda Aceh province.¹ Colossal localized social and livelihood considerations, rather than national economic ramifications, represent the major impact of this disaster.

6. **Disproportionate Impact on the Poor.** Aceh, involved in a protracted internal conflict, is one of Indonesia's smaller and more remote provinces, and it has a high poverty incidence. Pre-tsunami, it had 2 percent of Indonesia's total population; an 11.2 percent rate of unemployment (vs. a national average of 9.5 percent); a poverty headcount of 28.5 percent (against a national headcount of 16 percent); and it accounted for just 2.3 percent of total GDP in 2003—and much less of employment-sustaining non-oil and gas GDP, at 1.4 percent. As a result of the disaster, the Ministry of Health estimates casualties to be 108,240 (there are differing estimates put forward by other sources); and hundred of thousands more are missing or have been left dislocated and destitute. To recover from this disaster, Aceh and North Sumatra will need

¹ Large parts of Banda Aceh, Meulaboh, the coast of Aceh Besar, Aceh Jaya, Nagan Raya, Simeuleue, Aceh Utara, and Aceh Timor, along with eight regions in Nias and North Sumatra, were destroyed.

significant help from the Government, its fellow citizens, and the rest of the world. The disaster has impacted the lives and livelihoods of communities mostly through its overwhelming destruction of homes, communities, and, in some cases, whole villages.

7. **Estimated Damage and Losses.** The total estimate of damages and losses is Rp. 41.4 trillion, or US\$4.45 billion. Of the total, 66 percent constitutes damages, while 34 percent represents income flows lost to the economy. The damage provides both an idea of the destruction of assets as well as a baseline for defining the program of reconstruction. The amount of losses will directly impinge on the future economic performance of the tsunami-affected areas. The disaster primarily impacted private, not public, assets and revenues. Some 78 percent of total damages and losses accrued to the private sector, including households, with the remainder borne by the public sector. This has important implications and poses particular challenges for the reconstruction strategy. The massive human toll and the preponderant brunt of the disaster to the private sector translates into lost or severely impacted livelihoods. The sectors most impacted are housing, commerce, agriculture, fisheries, and transport vehicles and services (US\$2.8 billion, or 63 percent of total damage and losses). The biggest public sector damages were to infrastructure, the social sectors, and government administration (US\$1.1 billion, or 25 percent of total damage and losses). Monetized environmental damages are also significant (US\$0.55 billion, or 12 percent of total damage and losses). These include damage to coral reefs and mangrove swamps, loss of land use, and needed restoration of the coastal zone.

8. **Impact on GDP, Inflation, Balance of Payments, and Fiscal Position.** The impact of the disaster is extensive on the economy in the affected areas, but likely to be very limited on the economy as a whole: total damages and losses (both stock and flow) are estimated at 97 percent of Aceh's GDP. Of this total, non-environmental GDP losses (to livelihood) would be US\$1.13 billion or 23.5 percent of Aceh's estimated 2004 GDP. These losses are spread over several years but front-loaded in 2005. Thus Aceh's losses in 2005 are likely to be 10 percent of GDP or more. By contrast, the reduction in the growth rate of Indonesia's overall GDP is estimated to be only 0.1 to 0.2 percentage points. The World Bank's pre-tsunami estimate of Indonesian growth rate in 2005 was 5.4 percent. With this magnitude of impact, post-tsunami growth would be around 5.2 to 5.3 percent. It is noteworthy that there was very little damage to the oil and gas fields. While important for Indonesia as a whole, this does little to mitigate the devastating economic (and social) impact on the Acehnese people. Most people earn their livelihoods agriculture, fisheries, and commerce, which account for 40 percent of GDP. Finally, relief and reconstruction spending and activities will have an offsetting impact. These impacts, including on the regional economy and the national budget and balance of payments, will be factored into subsequent assessments.

B. Sri Lanka

9. Preliminary estimates of total direct asset damages place losses in Sri Lanka around US\$1 billion (4.5 percent of GDP). Destruction of private assets in the affected districts is substantial, with losses estimated at about US\$700 million. This figure includes infrastructure and equipment losses in the fishing (US\$97 million) and tourism (US\$250 million) industries. More than 15,000 private fishing vessels were damaged, and about one-quarter of hotels were affected (58 of the total 242 registered hotels have been fully or partly damaged). Almost 145,000 houses were fully or partly destroyed, with estimated losses between US\$306 million and US\$344 million. In the public sector at least 97 healthcare institutions and 190 schools, universities, and vocational training institutes were damaged.

10. **Poverty.** While the most affected provinces together account for about 17.4 percent of GDP, they constitute a significantly larger portion of the population (26 percent). Available poverty data for districts in the southern provinces show that between one-quarter to one-third of the population lives below the poverty line.² The tsunami disaster increases the vulnerability of this already poor and vulnerable segment of the population.

11. **Impact on GDP.** The estimated loss of output in the most affected sectors (fishing and tourism) totals around 1.5-2.0 percent of GDP, but these sectors do not make up a significant portion of national GDP. Together the tourism (4 percent of GDP) and fishing (2.2 percent of GDP) industries make up about 6.2 percent of national GDP. Increased activity in the construction sector, which makes up a larger portion of GDP (7.2 percent), will mitigate part of the contraction in the fishing and tourism industries. Therefore, the tsunami may only result in slowing down economic growth by one percentage point in 2005 (from 6 to 5 percent) and less in subsequent years. (See Table 4.)

Table 4. Key Economic Indicators - Sri Lanka

	Pre-Tsunami			Post-Tsunami	
	2004	2005	2006	2005	2006
GDP Growth (percent)	5.2	6.0	6.0	5.0	6.0
Inflation (CCPI annual average; percent)	7.6	10-11	10.0	12.0	8.0
Fiscal Balance (% GDP)	-8.1	-7.6	-6.7	-9.6	-9.3
Revenues (% GDP)	15.6	17.2	17.9	16.9	17.8
Expenditures (% GDP)	23.7	24.8	24.7	26.4	27.1
Current Account Balance (% GDP)	-3.2	-3.8	-3.5	-7.1	-6.3
Debt Service to GDP (percent, before any debt moratorium)	4.4	4.6	4.6		

12. **Inflation.** Average inflation has been moderating in the last three years from a high of 14.2 percent in 2001, bottoming in 2003 at 6.3 percent, and increasing slightly to 7.6 percent in 2004. The tsunami is likely to push prices up further in 2005—because of the upsurge in

² Data on the incidence of poverty in the North-East is not available.

demand for consumption goods during the first quarter of the year and increased demand for construction materials—exacerbated by the recent hike in international oil prices. Inflation in 2005 is likely to average 12 percent, compared to the pre-tsunami estimate of 10-11 percent.

13. **Balance of Payments.** Reconstruction efforts following the tsunami will have a significant impact on the country's balance of payments. Rebuilding activities will require a substantial increase in imports (over US\$600 million) and a widening in the trade deficit, starting in 2005. Increased private transfers will contribute to financing increased imports. Merchandise exports are assumed to grow at the expected pre-tsunami rate (9 percent), but services receipts will decline by US\$65 million, reflecting a drop in tourist arrivals on the order of 100,000 relative to original projections for 2005 (600,000). Additional external financing requirements after the tsunami are estimated at US\$519 million. The receipt of large foreign inflows is expected to help mitigate the impact of the tsunami disaster on the external sector and ease pressure on the exchange rate.

14. **Fiscal Impact.** Measures of the fiscal impact of the tsunami on Sri Lankan Government finances are highly tentative at this point. The impact of the tsunami on revenues is expected to be marginal (0.3 percent of GDP). Revenues from the value added tax and customs duty on higher imports in 2005 are expected to compensate for most of the revenue shortfalls from tourism and fisheries. Additional tsunami-related expenditures are estimated at Rs.50 billion (over 2.2 percent of GDP). Of this amount, Rs.10 billion will be additional recurrent cost and the rest will go to capital. These changes will result in the widening of the fiscal deficit from the budgeted 7.6 percent of GDP to 9.5-10 percent of GDP in 2005. Ultimately, the level of increased expenditures will depend on the ability of the Government to mobilize external resources and the absorptive capacity of the public administration. Unlike asset losses and short-term output losses, substantial fiscal costs for reconstruction will continue to be incurred in the medium term. However, details on the Government's longer-term tsunami reconstruction and recovery program are not now available.

C. India

15. The tsunami generated enormous human suffering and considerable localized loss of assets in both the public and household sectors, and widespread loss of livelihoods, especially from fishing, in the affected areas. It is clear that, in addition to public infrastructure, the main losses of assets are of housing and fishing vessels, and that a large share of asset-loss has been borne directly by poor people. Hardest hit are the Andaman and Nicobar Islands, located not far from the earthquake's epicenter, and the central part of the coast of the state of Tamil Nadu (including Karaikal, a part of the Union Territory of Pondicherry). The states of Kerala and Andhra Pradesh have also been similarly affected, albeit on a considerably lower scale.

16. **Cost Estimates for Reconstruction.** Since the need assessment in India began on February 1, detailed estimates of reconstruction costs are not yet available. The Government of India has come up with a rough preliminary estimate of US\$1.5 billion; however, this figure does not include the Andaman and Nicobar Islands. While in the affected areas, the loss of incomes has been severe, the overall macroeconomic impact of the tsunami on India's sizeable economy is thought to be marginal. The industrial base is intact. Preliminary estimates of the extent of the impact of the tsunami on India's current-year growth rate are no more than 0.2 percent of GDP.

17. **Poverty.** The short-term impact on poverty is negligible in national terms but is clearly substantial in the affected localities, where the poor were disproportionately affected. As elsewhere, there have also been large impacts in terms of disability and of psychological trauma. The Government has made clear that it sees reconstruction as an opportunity to improve living conditions and incomes of the affected populations, compared to those prevailing before the tsunami, and that this will be a central feature of the reconstruction effort.

D. Maldives

18. The tsunami of December 2004 is the worst natural disaster experienced by Maldives in recent history, resulting in major economic, social, and environmental impacts across more than 1,119 islands that comprise the country. Of the 200 inhabited islands, 13 were totally destroyed, 56 suffered major damage, and 121 experienced moderate damage. Over one-third of the total population of 280,000 was directly affected. The disaster hit Maldives at a moment when it has been growing rapidly, reflecting strong performance in tourism, fisheries, and construction sectors, and generally sound macroeconomic management.

19. **Overall Economic Losses.** Direct losses due to the disaster are estimated in the range of US\$310 million-US\$510 million, on the order of 50 to 80 percent of GDP. Of this, US\$228 million corresponds to physical or direct costs.³ The housing and tourism sectors suffered the most direct damage, but fisheries and water and sanitation facilities also suffered. The tourism sector is the largest source of indirect losses because of a sharp drop in tourist arrivals. Although most of the 89 resorts are operational, tourism has fallen by 80 percent. If prolonged, this could have a major impact on employment and government revenue. Before the disaster, the tourism industry generated well over 25,000 jobs (the hotel sector alone was responsible for 17,000 jobs) and contributed 31 percent of GDP directly and an estimated 60 to 70 percent when indirect effects are considered. In addition, about 30 percent of Government revenue came from resort lease payments and taxes on tourists. Tourism and fisheries together accounted for 40 percent of GDP and over one-third of total employment. The tsunami may result in a 20 to 30 percent contraction in the tourist sector in 2005. Fish landings could decline by 7 to 8 percent. Expansion of government services and construction may offset these contractions, but marginally at best.

20. **Poverty and Social Impact.** The social fabric of the affected islands has been seriously impacted by the displacement of people, extensive physical damage, and by the loss of livelihoods. Over 12,000 people have been displaced by the disaster. Of these, 41 percent had to move to other islands while the rest remained displaced on their original islands. Close to 5,000 houses will need to be rebuilt or will require major repairs. Employment has been adversely impacted by the current low tourism occupancy rates and the loss of fishing vessels, equipment, and agricultural lands. The delivery of social services has also been affected, an important problem because poverty in Maldives is associated with isolation and limited access to social services. The country has made significant progress in human development, but poverty and vulnerability persist, particularly among the 74 percent of the population living on the outer atolls. Although survey data are still being analyzed, it appears that poverty declined

³ This figure does not include the costs of future mitigation measures such as the safe island strategy initiated by the Maldives Government in response to the tsunami and to concern with the impact of climate change.

significantly between 1998 and 2003 because of strong economic growth and concerted government efforts to expand the provision of public services to the whole population.

21. **Macroeconomic Impact.** The macroeconomic impact of the tsunami will be substantial and proportionally greater than in the other affected countries, although magnitudes are difficult to estimate with certainty at the moment. The magnitude of this impact will become evident in the next 6 to 12 months; and it will depend on tourism sector recovery, the pace of reconstruction and the related availability of external financing, and macroeconomic and fiscal management in the face of unforeseen expenditures and revenue losses. The worse case scenario would be negative growth for the first time in over two decades, an acceleration in consumer prices to over 8 percent, a substantially larger current account deficit, a fall in reserves, and a significant widening of the fiscal deficit to about 10 percent (see Table 5). This would be a dramatic contrast with 2004 when, fueled by tourism, GDP growth reached an estimated 9 percent, surpassing the impressive 8.4 percent achieved in 2003.

Table 5. Key Economic Indicators – Maldives

	Pre-Tsunami		Post-Tsunami
	2004	2005	2005
GDP Growth (percent)	9.0	7.5	0 to -5.0
Inflation (percent)	6.5	5.0	7.0 to 10.0
Fiscal Balance (% GDP)			
Revenues (% GDP)	35.2	40.4	43.6 to 45.9
o/w grants	0.8	0.8	4.1 to 6.6
Expenditures (% GDP)	37.8	44.5	47.6 to 49.1
o/w capital lending	0.0	0.0	0.0
Overall Balance, excl grants	-3.4	-4.9	-8.2 to -9.8
Current Account Balance (% GDP)	-12.0	-15.7	-33.3 to -28.4
Debt to GDP (percent, before any debt moratorium)	42.0	42.5	62.5 to 76.8

E. Africa

22. The two most affected countries in terms of physical damage in Africa were Somalia and the Seychelles. However, other countries not covered in this report—including Kenya, Madagascar, Mauritius, and Tanzania—suffered losses of life or minor infrastructure damage; World Bank assistance to these latter countries will take place in the context of ongoing activities.

23. **Somalia.** In Africa, the tsunami struck hardest on the northeastern coastline of Somalia. The tsunami was a further assault on already vulnerable populations as chronic droughts and floods had already affected many parts of Somalia over the last few years. An estimated 80,000 people live in the worst affected coastal districts.⁴ Following the disaster, both the United Nations (UN) and nongovernmental organizations (NGOs) initiated interagency assessment

⁴ The estimate is based on the 2004 WHO vaccination data.

missions to the affected areas and have provided relief materials. However, it remains difficult to assess with precision the exact number of people affected. (According to the United Nations, an estimated 150 people have died, with an additional 54,000 people having been directly affected by the tsunami; however, other estimates are higher.) Significant infrastructure losses included housing, boats, wells, and water reservoirs. Unfortunately, the tsunami coincided with the height of the fishing season in Somalia, exacerbating the impact of the disaster. Further assessments are needed to determine the scope of the affected area and the extent of damage. It should be noted that the area's remoteness, the lack of reliable baseline data, and the limited presence of implementing partners and government counterparts prior to the disaster have hindered the assessment process and have created greater challenges in delivering assistance to the affected population. Delivering assistance to the needy is also a challenge because of poor communication and road infrastructure. Some of the affected areas are also inaccessible because of security concerns.

24. *Seychelles.* The Seychelles archipelago, which lies more than 7,000 kilometers from the epicenter of the undersea earthquake, suffered severe flooding and widespread damage to roads, fishing infrastructure, and tourism resources. Three people have been reported dead and at least four others were hospitalized. Two bridges on the road linking the airport to the capital were damaged and a main bridge was destroyed. The repair and rehabilitation of the damaged road network and bridges is estimated by the authorities at US\$6.4 million. The estimated loss in fishing infrastructure is US\$6.8 million. The preliminary cost of estimated damage to tourism infrastructure is US\$15 million, some of which is covered by insurance, but bookings are also down, contributing to an unknown further loss in GDP. The aggregate damage from the tsunami and heavy rains subsequent to the tsunami is currently estimated by the Government of Seychelles at US\$30 million, about 4 percent of Seychelles' GDP. The Government fears that the impact of the disaster on this small island economy with a population of approximately 80,000 will be significant. Within the overall government estimate, a United Nations Disaster Assessment and Coordination team puts the immediate needs as US\$8.9 million.

III. BANK RESPONSE

25. In all cases, the World Bank has worked with affected governments and other partners to provide quick support. Country staff were the first to respond on the part of the Bank within hours of the disaster, notably in Indonesia and Sri Lanka. Existing operations sometimes provided needed equipment and financing to support the first recovery efforts. Staff quickly stepped in as needed to help governments start the damage and needs assessment processes in three countries. Washington staff mobilized in support, some working here in Washington, D.C., and others going to the affected countries. Within five days, the outlines of Bank support—fleshed out below—were in place and were presented orally to Executive Directors. Mr. Wolfensohn attended the ASEAN summit on the disaster and visited the most affected areas in three countries—Indonesia, Maldives, and Sri Lanka—reiterating the availability of Bank support; on his return, he reported to Executive Directors on these visits. As outlined below, Governments have also asked the World Bank to take a lead role in coordination of reconstruction efforts.

A. Common Issues

26. **Working with Authorities.** One of the tenets of Bank support is that governments should have the central role in and ownership of rehabilitation and reconstruction efforts. In these efforts, it is also important that communities are involved in assessing their needs and in designing recovery programs that both meet their needs and fit into longer-term growth and poverty reduction plans. The recovery efforts provide an opportunity to improve the lives of the poor—a theme that is emphasized by the authorities of the affected countries. Working closely with the authorities calls for major efforts in donor coordination—another theme repeated in every country context below.

27. **Rapid Assessments of Damage and Financing Needs.** As noted above, the World Bank and other donors responded immediately to government requests for support with damage and needs assessments in Indonesia, Maldives, and Sri Lanka. All of these assessments have reached a stage at which they can support the initial round of rehabilitation and reconstruction activities. In India, where the authorities handled relief efforts locally, the request for support for a needs assessment came later, as noted below, and the assessment will start on February 1, 2005.

28. **Overview of the Bank's Role.** The section below outlines the Bank's role in supporting the most affected countries. While the Bank's role differs depending on country needs and the priorities countries see for Bank assistance, some themes are repeated in each case. These themes include a central role in helping governments with donor coordination, use of Bank expertise in needs assessments and recovery planning, and rapid financial support for key recovery activities.

B. Indonesia

29. The Indonesian Government has provided the leadership in the aftermath of the disaster, both on relief and recovery efforts. It has effectively drawn on support from the World Bank and other donors. The Government is working with UN agencies on relief efforts and it has asked international financial institutions, notably the World Bank and the Asian Development Bank (AsDB), to lead coordination efforts in the recovery phase.

30. **Government Leadership.** The Government of Indonesia (GOI), which had been in office for just over two months at the time of the disaster, has responded firmly and comprehensively in handling the aftermath of the tragedy. With its development partners, GOI is engaged in the formulation and implementation of a three-stage action plan: emergency measures (December 2004-January 2005), rehabilitation measures (February 2005-February 2007), and reconstruction measures (February 2005-2009). The coordination of emergency relief resources is being managed through the GOI's disaster coordination agency—the BAKORNAS secretariat set up in the Coordinating Ministry for Social Affairs—while the national planning agency—Bappenas—has been tasked with assessing the extent of damages and losses, and with developing a responsive recovery strategy. For the implementation of the recovery work, GOI is considering putting in place a dedicated agency to undertake the coordinated execution of the rehabilitation and reconstruction activities.

31. **ASEAN Summit.** On January 6, 2005, the Government convened an ASEAN Summit on the Aftermath of the Earthquake and Tsunami; the need for government leadership of the post-disaster efforts and donor coordination were emphasized by GOI. In addition to high-level representatives from the affected countries and ASEAN members, several bilateral partners and top management from the UN, World Bank, and IMF attended the summit.

32. **Planning for Recovery.** GOI has been working with the World Bank and others on three key outputs: (a) a damage and loss assessment; (b) a GOI reconstruction and recovery strategy; and (c) a recovery financing, management, and fiduciary/governance strategy and framework. The damage and loss assessment report, prepared within a two-week period, was presented at the in-country Consultative Group Indonesia (CGI) meetings of January 19-20, which for the first time were chaired by GOI. The second output is expected to be finalized by end-March 2005, and will provide the overarching framework for recovery and reconstruction in the affected areas. Finally, work on the definition of the financing, governance, and fiduciary framework for the implementation of the recovery strategy has started. Refined unit cost estimates relating to the damage and loss assessment will provide the basis for this work. The Bank is supporting GOI efforts to develop a better sense of voluntary and official flows, and on how these may be managed (including on/off-budget share of financial transfers). To manage the recovery effort, the Government has set out some general principles:

- Maximize the use of on-budget financing.
- Develop an effective governance framework.
- Phase out central government support as regional governments recover capacity.
- Maximize grant financing, then soft loans as needed depending on fiscal and balance of payment needs.

The GOI has also requested a coordinated response from donor partners.

33. **Donor Coordination.** The joint work on the post-disaster assessments has been an intensely collaborative effort, under the guidance of Bappenas and in close consultation with GOI line agencies, and with camaraderie among all participants. GOI has clearly articulated the different roles expected of the UN (relief and initial rehabilitation stage) and international financial institutions, notably the World Bank and AsDB, (rehabilitation and reconstruction stages) in supporting them on the Aceh disaster, along with other partners. The just-concluded CGI offered a forum for further stimulating discussions on donor cooperation and coordination.⁵ In view of the fact that coordinating reconstruction resources from the international community is likely to challenge the government, the Bank is proactively reaching out and coordinating closely with multi/bilateral partners to provide joint teams and common approaches to minimize the burden on the government. The Bank's IDA-IBRD program in Indonesia is greatly enhanced by our capacity to leverage significant additional grant funds from a range of bilateral partners. More specifically, the World Bank team is engaged in discussions with AsDB and the Japan

⁵ At the CGI, the total amount pledged for Indonesia for 2005 was US\$5.1 billion. Disbursement through the Government's budget in 2005 is put at US\$3.5 billion, with disbursements through other channels of US\$1.6 billion. Of the total pledges, US\$3.4 billion is for financing regular operations in support of Indonesia's broader development and poverty reduction objectives and an estimated US\$1.7 billion is for Aceh. Of the estimated pledges for Aceh, US\$1.2 billions is grant funding and US\$0.5 billion is highly concessionary loans.

Bank for International Cooperation (JBIC) to realign our existing and new support, and is exploring with other key donors their interest in co-financing.

34. **World Bank Response.** From the outset, the World Bank team has been integral to GOI's post-disaster efforts and has provided substantive support, including in the preparation of the damage and loss assessment and the sectoral/cross-cutting reconstruction notes.⁶ In the wake of the disaster, the World Bank rapidly mobilized a multisectoral team, including world-class experts on disaster assessments. The World Bank was part of a core team, based in a joint response office in Bappenas, and has been working around the clock with Government counterparts and partners, including the UN agencies, AsDB, and JBIC, on coordinating and preparing for the initial recovery efforts. In addition, the World Bank team has been playing a major, proactive role in providing technical advice to GOI on the overall governance and fiduciary framework to ensure transparent, accountable, and effective use of aid flows. Following up on the offer from the World Bank President to provide Indonesia with every possible assistance, on January 6, 2005, GOI and the World Bank signed an Memorandum of Understanding, which outlines the basis for collaboration and joint activities in financing reconstruction of Aceh and North Sumatra.

35. **Possible Forms of Support.** The World Bank is ready to support the rehabilitation and reconstruction phases through efforts aimed at the restoration of core services, followed by support for the longer-term objective of rebuilding and reconstructing the region. There are three strands to the Bank's response with regard to the restoration and rebuilding efforts: (a) critical social, physical, and financial infrastructure; (b) public services and institutional capabilities; and (c) productive services and livelihoods of the affected populace. In terms of our operational support, the following options are under discussion with the Government, to be further refined following a definition of the financing requirements in the coming days:

- Reallocation of savings from existing projects (primarily IDA credits).
- Refocusing projects in the pipeline to include Aceh reconstruction components (IDA credit; grant co-financing from other donors).
- A new intervention through a program-based operation (IDA credit and other financing).
- A new Multi-Donor Trust Fund (MDTF) seeded by a World Bank grant.

In terms of additional/new support, both options—a programmatic operation and an MDTF—are under discussion for coordinating and managing additional donor funds, including IDA credits and World Bank grant resources. Both modalities provide for strong country ownership, GOI leadership, and a coordinated donor response that is consistent with the national recovery and reconstruction strategy. The financial and administrative arrangements as well as the operational, results, fiduciary, and broader governance frameworks, relating to the two modalities are under discussion with the Government and key development partners.

36. **Level of Financial Support.** The World Bank is ready to deploy resources amounting to about US\$300 million, including a World Bank grant and concessional IDA financing. The

⁶ The assessment work commenced after a January 4 request by Bappenas for the World Bank to join forces with GOI and other partners to undertake such an assessment in time for the CGI.

Government of Indonesia has clearly expressed its preference for on-budget, grant funding, over other financing options in support of the recovery efforts. In this regard, it is noteworthy that the Bank has been playing a key role in proactively reaching out and engaging with other donors to mobilize coordinated approaches to grant financing. Initial discussions with key donors are very promising; several partners are reviewing the use of the vehicles offered by the World Bank (for example, projects under preparation, MDTF, or a program-based operation) for effectively channeling their own resources. However, the Bank stands ready to help mobilize additional funding support on the basis of the requirements of the agreed reconstruction plan. The World Bank expects to commit a total of US\$246 million in 2005.⁷ In terms of timing, a total of some US\$125 million disbursements envisaged for Aceh in 2005 were pledged by the World Bank during the CGI. An additional US\$120 million is envisaged to be disbursed toward recovery efforts in 2006. Further resources in FY06 (notionally put at US\$55 million) may be deployed to meet requirements, including through co-financing.

C. Sri Lanka

37. The Sri Lankan Government has taken the lead in organizing for both the relief and recovery phases of its response. Donors, including IDA, have come forward in support of the authorities, notably in the context of damage assessments.

38. **Government Leadership.** In the immediate aftermath of the disaster, a Center for National Operations was formed under the President's Secretariat to oversee and monitor emergency programs. Three task forces composed of representatives of the public and private sectors were also formed under the President's Secretariat. With regard to the recovery and reconstruction efforts, the Task Force to Rebuild the Nation (TAFREN), which is closely linked to the Ministry of Finance, was assigned the responsibility of assessing the damage, developing and implementing a Comprehensive Development and Infrastructure Action Plan (CDIRAP), coordinating all donor assistance toward achieving the plan, and drafting legislation to set up the Authority for Rebuilding the Nation (ARN). The Government damage assessment was published on January 5, 2005. Consultations for the formulation of the CDIRAP and drafting the bill for setting up the ARN are ongoing.

39. **Donor Coordination and Needs Assessment.** The larger donor groups for Sri Lanka—led by the World Bank and AsDB—have met numerous times since the disaster, and all are committed to having a coordinated response through a standard working group. Under the overall guidance of the Ministry of Finance, the World Bank, AsDB, and Japan have been working closely together in recent weeks to coordinate external support for the next phases of the response to the disaster. To carry out the initial damage and needs assessment, a joint mission of the three institutions began on January 10, 2005. This effort is being assisted by other development partners (including from UN agencies and bilaterals) and civil society. The draft damage and needs assessment was jointly released on February 2 and made available on the websites of the three institutions. During February, a process of donor consultations will take place to ensure that financing needs are met for the coming months, followed up in late April/early May by a formal meeting of the Sri Lanka Development Forum. During that meeting, the needs assessment will be discussed in the context of the revised poverty reduction

⁷ This includes US\$76 million in savings/reallocations from the current portfolio.

strategy (PRS). Nevertheless, despite the positive intentions expressed by all, donor coordination will remain a challenge given the tremendous needs and outpouring of assistance. (A mechanism will be established to continue refining the needs assessment over the coming months.)

40. **Priority Needs.** One of the urgent priorities is to restore the livelihoods of those affected by the tsunami. The required livelihood support is likely to be in the form of cash grants to the most vulnerable groups and special support to assist small and medium enterprises and fishermen rebuild their businesses. With approximately 145,000 houses fully or partially destroyed, helping individuals and communities to rebuild housing will be another short-term priority. Other priorities are in education and health, specifically helping to rebuild system losses, including physical infrastructure. It is anticipated that the bulk of the World Bank's financing will be focused in these four priority areas—livelihood support, housing, education, and health. Other priorities include restoration of roads and railway tracks, low and medium voltage power lines, water distribution networks, wells, and sanitation facilities, and rehabilitation of the severely affected fisheries sector through reconstruction of fishing harbors and provision of fishing gear. (See Table 6.)

Table 6. Sri Lanka—Short-Term Financing Reconstruction and Rehabilitation Needs
(US\$, millions)

Housing	50
Education	13
Health	17
Agriculture	2 ^a
Fisheries	69 ^a
Tourism	130 ^a
Environment	6
Roads	25
Railways	40
Power	27
Water Supply / Sanitation	64
Social Welfare	30 ^b
Other items, including contingency ^c	30
Total	568-78
O/w financed through Bank support:	175

^a Includes estimates from livelihoods damage assessment of fishermen, small farmers, and small businesses in tourism.

^b Targeted assistance to vulnerable groups.

^c "Other items" includes private assets that were destroyed along with the devastated houses, and the destruction to other public sector buildings, etc.

41. **IDA Support.** In the initial days after the disaster, the World Bank received several appeals from Government counterparts and was able to respond to many, including providing resources to secure medicine, water pumps, earth-moving equipment, and water storage tanks. With regard to the recovery efforts, the Bank's initial response—a summary of which was distributed to the Board on February 2, 2005—will be in the form of a portfolio restructuring. This will involve flexible use of ongoing nationwide projects that can be used for the immediate needs (such as health and community water projects) and reallocation of resources from the remainder of the existing portfolio, focusing on those projects with uncommitted funds and large

undisbursed balances. Up to US\$75 million may be made available quickly through these sources. At this point, it is unclear to what extent these resources will be drawn upon, given the overwhelming pledges of grant funding from other sources. Nevertheless, this response will be important toward ensuring that a large volume of resources is made available as early as possible. Waiting to see if other donor funding is available is out of the question. The next stage of the Bank's response will involve an Emergency Reconstruction Credit and Grant in the amount of US\$75 million, of which 40 percent will be a grant. The team plans to present this to the Board in late February. In the third stage, in the context of updating the PRS and Country Assistance Strategy (CAS), a tsunami reconstruction element will be incorporated into the country program, with the expectation that a fairly large reconstruction credit (up to US\$250 million) would be provided in late 2005.

42. **Implementation Arrangements.** Implementation mechanisms and arrangements for the reconstruction process are still being worked out. These arrangements are especially sensitive given Sri Lanka's history—notably the conflict in the North-East and various youth insurrections in the South. Therefore, it will be extremely important to ensure equity among the regions and ethnic groups in any donor-financed program. Furthermore, the donor response to this crisis must also be made in the context of a more inclusive and decentralized decisionmaking process that would better serve the development needs of the poor and most vulnerable groups. Initially, funds made available from the Bank will likely be channeled through the Ministry of Finance to the two provincial councils (the North-East Provincial Council and the Southern Provincial Council) and then made available to the eight affected districts. In establishing these arrangements, it will be ensured that proper management and fiduciary arrangements are in place at both the provincial and district levels. The North-East Provincial Council has an excellent track record in successfully and quickly implementing a number of Bank projects.

43. **Donor Funding Mechanisms.** Given the political sensitivities—especially potentially with regards to the allocation of funds between the North-East and South—and the large amount of funding potentially available from many different sources, various mechanisms for channeling donor assistance are still being explored. There is a strong possibility that multi-donor trust funds will be established, separately for the North-East and the South, or a single fund for the country as a whole. However, at this time, it is difficult to say what will result from the ongoing discussions between the authorities and donors.

44. **Staffing.** The Bank's Colombo office is extremely strong and well equipped to handle this challenge, of course with help as needed from Washington-based staff. In the near future, no major changes are anticipated with regard to the Bank's local presence.

D. India

45. **Government Leadership.** Immediately following the tsunami, the Indian Government mobilized major resources for urgent relief in the affected areas in India (particularly Tamil Nadu and the Andaman and Nicobar Islands), and also provided support to Sri Lanka, Maldives, and Indonesia. The Government also announced that it was not seeking any outside help with immediate relief. A cabinet committee under the chairmanship of the Prime Minister was immediately established to oversee relief and rehabilitation, and the Disaster Crisis Management Committee, chaired by the Cabinet Secretary, was activated. Overall, it appears that the

Government has been highly effective in immediate relief and recovery, including disposal of bodies, disinfection, vaccination, provision of food, water, and emergency shelter, and sanitation and clearing of debris. There has been major support from Indian NGOs, and significant funding has been raised from the public, especially through an appeal launched by the Prime Minister. UN agencies on the ground, notably UNICEF, and locally represented international NGOs have also helped with relief efforts.

46. **Request for Rehabilitation and Reconstruction Support.** On January 10, the Government of India wrote to the World Bank and to AsDB asking for support for rebuilding infrastructure, both public and private, for the rehabilitation of livelihoods of those affected, and in developing disaster prevention and management systems for the future. An identical request was addressed to the UN (under the coordination of UNDP) on January 12, 2005. The World Bank, AsDB, and UNDP are now preparing for a needs assessment jointly with the Government of India, starting on February 1. The needs assessment is scheduled to be completed by February 15, following which the Bank, AsDB, and UNDP would discuss financing shares and arrangements with the Government. The Government of India has asked multilaterals to explore mobilizing funding from bilaterals on a grant basis, to be channeled through multilateral agencies, probably through trust fund arrangements.

47. **Priority Needs.** Since the needs assessment has not yet been conducted, there are as yet no definitive estimates of reconstruction costs. It is clear that, in addition to repair of infrastructure, priority needs will be for housing; for restoration of assets to generate livelihoods, notably for fishermen but also for farmers; and for coastal protection investments and disaster preparedness. On January 19, the Government of India announced allocations of about US\$600 million to the affected states and Union Territories (other than Andaman and Nicobar) for infrastructure, housing, and fisherman asset replacement.

48. **IDA Funding.** The Bank has completed an internal review of ongoing projects to assess the potential for redirecting funds to reconstruction needs. This review suggests that up US\$300 million from IDA could be available; these initial estimates have been sent to the Government with a request that they validate the figures, and begin to think about the modalities for a redirection, so that as soon as the needs assessment has been completed, work can begin on finalizing the structuring of overall Bank support (including discussion of how much new IDA should be provided, beyond the amounts redirected). The Government has stated that it hopes that disbursements can begin before the end of March 2005.

E. Maldives

49. The Maldives Government moved quickly to react to the crisis. Other donors and the World Bank were also quick to provide assistance. The preliminary needs assessment, produced jointly by the World Bank, IFC, AsDB, IMF, and the UN, is in the hands of the authorities.

50. **Government Response.** The Government of Maldives quickly pulled together an effective relief and rehabilitation operation with support from UN agencies, NGOs, and other development partners. Humanitarian relief has reached all the displaced people. Critical emergency needs such as safe drinking water, food, and basic medicines are in place. People who lost their homes have been provided temporary shelters, either on their own or other host

islands. The Ministry of Health has put in place an effective disease surveillance system to monitor water quality and report on a daily basis outbreaks of communicable diseases, especially diarrhea and unexplained fevers. The Ministry of Finance and Treasury is coordinating the donor assistance and has withheld the completion of the 2005 budget pending the availability of the full damage and needs assessment.

51. **Priority Needs and Financing.** Reconstruction expenditure is likely to be concentrated in housing, water and sanitation, tourism, and public buildings, with significant support needed to restore the fishing industry and to complete repairs and re-equip schools and medical facilities. Public financing of reconstruction is likely to be less than the cost of replacing assets and livelihoods, currently estimated in the range of US\$310 million-US\$510 million, because some of the cost will be absorbed by the private sector through insurance and drawing down financial assets, perhaps by as much as \$100 million. On the other hand, the loss of government revenue related to the temporary downturn in tourist arrivals would require financing of about US\$90 million during 2005. Low-lying Maldives is vulnerable to natural disasters and global climate change and the government is considering accelerating plans to voluntarily relocate inhabitants of vulnerable islands to safer islands, and to strengthen shelters and sea defenses around these focus islands. The sea walls around Male saved the capital from significant damage during the tsunami. More accurate information on the costs and financing of reconstruction will be available when the needs assessment is finalized during discussions with the government in early February. A donor consultative group meeting to firm-up financing is likely to be called in March.

52. **IDA Support.** The World Bank contacted the Government soon after the tsunami hit the Maldives to offer its assistance, and agreed to allow certain expenditures under the ongoing education credit to meet urgent needs. At the request of the Government, a mission was rapidly fielded to carry out a joint assessment of the damage and needs related to the tsunami. In addition to the World Bank Group and AsDB, UN agencies, and JBIC joined the team, and a Fund mission arrived to the country a few days later. As noted above, the preliminary report has been submitted to the Government. Immediate IDA support will be provided by a restructuring of US\$12 million of IDA commitments and an additional US\$2 million in new commitments; 40 percent of these resources would be provided on grant terms. An application will be made to the Japan Social Development Fund (JSDF) for US\$2 million of additional support. Further emergency support from IDA is likely in FY06.

53. **Staffing.** The World Bank does not have an office in the Maldives. During Mr. Wolfensohn's visit, the Bank agreed to set up a temporary liaison office. A search is under way to select the Bank's Special Representative, who would manage this office. It would be run jointly with AsDB.

F. Africa

54. The lack of active programs in either Somalia or the Seychelles means that, while the World Bank is an active partner, other donors are taking the lead.

55. **Somalia.** Somalia is currently in the process of re-establishing a government. A Parliament has been established and it elected Abdullahi Yusuf as president in October 2004. A

Cabinet was appointed on January 13, 2005, and the Government has noted that one of its first actions will be to visit the tsunami-affected areas. Responding to the tsunami will continue to be one of the first concerns of the Government; but given that its response capacity will be extremely low in the initial stages, it will continue to rely heavily on the international community for assistance. The Bank is an active member of the tsunami task force—comprising government counterparts, UN agencies, donors, and NGOs—that was established following the disaster. It has also been consulting bilaterally with the UN and other donors and key partners to ensure a more comprehensive overview of the situation and of the response. Since the Bank does not have any operational capacity in Somalia, it is relying on the task force for regular updates on the field situation. The Bank plans to use a grant from the JSDF to provide support to Somalia's recovery efforts.

56. **Somalia Needs Assessments.** A joint UN/NGO Flash Appeal on Somalia was launched on January 6, 2005, for approximately US\$10 million to assist the estimated 54,000 affected Somalis. The support in the Flash Appeal targets food, shelter, water and sanitation, health, agriculture, and coordination and support services. The UN notes that these are initial needs and may evolve as further assessments are undertaken. Emergency needs are currently being met by the Red Crescent, UNICEF, UNHCR, WFP, and Médecins sans frontières. An interagency joint mission to the tsunami-affected areas started worked on January 28 to assess more medium- to long-term needs. Bilateral donors have also offered support. Somalia is a LICUS country, where the Bank has a joint country re-engagement note with UNDP. The support being provided under this strategy focuses on the areas of macroeconomic data collection and monitoring; health and HIV/AIDS; livestock certification; and capacity building. With the establishment of the new government, the Bank is in the process of reviewing its current strategy to see how it can best scale up its support to address the emerging needs of the new authority, including responding to this disaster. The first joint meeting between the Transitional Federal Government and the international community was held on January 17, 2005, and the Prime Minister requested technical assistance in support of pressing priorities. In addition, it should be noted that preparations are under way for a larger needs assessment exercise for Somalia, in which the Bank will play a key role.

57. **Seychelles.** The Bank has expressed willingness to help Seychelles with the post-tsunami recovery measures. Given Seychelles' non-accrual status, and Bank policy not to lend to countries in non-accrual status, the Bank is not in a position to undertake new lending. Bank staff have met twice with the authorities: with the President of Seychelles at the UN Small Island Developing States conference, in Mauritius; and with the Minister of Economic Planning, in Washington. The Bank has offered to help Seychelles through the organization of an international conference, if needed, and through a JSDF grant of up to US\$2 million. The JSDF grant would likely be used for recovery work in the fishing sector. The authorities expressed a need for technical assistance in re-evaluating Seychelles' disaster preparedness and response system. The Government has also requested technical assistance from the IMF to assess the economic impact of the tsunami. Other donors, both public and private, have offered financial support. In the aftermath of the tsunami, the President of Seychelles set up a National Emergency Foundation in partnership with the private sector to mobilize private contributions from international and domestic donors. The Government has tackled immediate needs following the tsunami and built temporary bridges.

G. IFC and MIGA Support

58. The private sector is playing an important role in immediate relief activities and is central to the restoration of livelihoods in affected areas. IFC and MIGA are supporting the private sector's response in ways that complement the Bank's response. Annex B provides an overview of the IFC response. Annex C outlines MIGA's role.

IV. OPERATIONAL ISSUES

A. Emergency Procedures

59. In general, World Bank policy and procedures should not be an impediment to the provision of timely assistance to tsunami-affected countries. Operational Policy (OP) 8.50, *Emergency Recovery Assistance*, sets the policy framework for the planned IDA tsunami recovery operations. The OP provides for expedited processing but notes that standard Bank operational policies apply. OP 4.01, *Environmental Assessment*, sets out a possible exception: when compliance with any requirement of the environmental assessment policy would prevent the effective and timely achievement of the objectives of an emergency recovery project, the Bank may exempt the project from such a requirement. The justification for any such exemption is recorded in the loan documents. There are no plans to seek exceptions to procurement policy; experience shows that most procurement of the kinds of goods and services needed for reconstruction can be done expeditiously in emergency situations. Lastly, IDA arrangements are in place so that cancelled undisbursed balances from IDA credits will remain available to the country in question for emergency assistance. More detail is provided immediately below with regard to procurement and safeguards.

60. **Procurement.** Expedited procurement procedures were envisioned in the context of the existing procurement guidelines. It is likely that the Bank will use a two-phased approach:

- An initial rehabilitation period of 6-12 months when the Bank would agree to most contracts being awarded on the basis of guidelines for direct contracting and single-source selection, with all but the largest contracts being post reviewed, to shorten processing times.
- A medium-term reconstruction period, when most procurement could be done using more standard but simple procurement methods.

With regard to procurement plans for emergency credits or grants, Operations Policy and Country Services (OPCS) has provided staff with simplified templates and additional guidance. Procurement staff will also work with task teams on projects being restructured to avoid delays in the introduction of new procurement language in legal agreements. With regard to grants that might be administered by UN agencies, the Bank has agreed in the past to the use of UN procurement procedures whenever those procedures have been found to provide the basis for acceptable procurement. However, as individual UN agencies vary with regard to their procurement policies and procedures, a review of the written procedures would be undertaken and the grant agreement would explicitly state acceptance or any conditions.

61. **Safeguards.** In view of the massive and urgent needs of people in immediate peril, it is essential that emergency interventions be swiftly implemented. On a temporary basis the responsibility for decisionmaking in the application of Bank policies concerning environmental and social safeguard policy aspects of IDA-supported interventions has been transferred to qualified specialists in the country offices. This transfer has been possible because both the East Asia and Pacific and South Asia Regions have experienced and knowledgeable staff deployed to country offices. Washington-based staff are available to assist as needed. As longer-term activities are undertaken, safeguard management procedures under the auspices of OP 8.50 will be kept under review to ensure that they are implemented efficiently and swiftly, without creating bottlenecks.

62. **Prevention and Mitigation.** As is normal in emergency recovery support, IDA teams will assist recipient governments in examining issues concerning prevention and mitigation of future disasters. In supporting countries' reconstruction efforts, country teams will work with the authorities on alternatives for national disaster strategies and disaster prevention and management institutions, as well as on potential changes in construction techniques. Relocation of affected communities to safer ground to reduce vulnerability is a critical issue in the reconstruction process that will require resolution through dialogue between communities and governments. One of the key issues coming out of the tsunami is that of an early warning system. Other international agencies are taking the lead in this effort, but the World Bank is likely to have a role in supporting the design of the "last mile" of that system—the actual links to individual communities.

B. Administrative Budget and Staffing

63. Much of the additional costs related to the tsunami work will be met by reallocating staff and expenditures from other activities that are no longer of immediate priority in the affected areas. Nevertheless, an effort of the speed and scale being mounted by the Bank will incur some additional costs.

V. PROPOSED FINANCING ARRANGEMENTS

64. The magnitude of the disaster and its impact on multiple countries and conflict-affected regions presents special challenges for financing reconstruction and for aid coordination. Particular issues include:

- Ensuring strong country ownership of reconstruction and commitment to implementation.
- Making the transition from emergency relief to reconstruction seamless and efficient. It is desirable to launch reconstruction as early as possible to restore livelihoods and markets and to avoid long-term dependency on relief aid.
- Government coordination of the efforts of many donors—60 countries were represented at the UN Flash Appeal in Geneva, each potentially with its own financing, fiduciary, and monitoring and evaluation procedures.
- Channeling funds efficiently and transparently to a multiplicity of small and dispersed activities in four countries—facilities worst affected by the disaster

were private housing, small business (including fishing and agriculture), schools, and clinics.

- Providing for an equitable distribution of reconstruction activities.
- Ensuring that funds are put to their intended use.

At least two countries are responding to these challenges by establishing special funds to receive donor finance, reduce transaction costs, and ensure transparency and accountability for the use of resources. These range from government-administered funds with special governance arrangements to proposals for more conventional multi-donor trust funds. In Maldives, a special fund is envisaged that could be administered by a committee consisting of both non-government and government representatives; use of funds would be audited by an international accounting firm. Such a fund would typically fund programs rather than discrete projects, and make use of established implementation systems through line ministries but with closer monitoring and accountability.

65. **Multi-Donor Trust Funds.** There is some donor country interest in multi-donor trust funds, possibly administered by the World Bank, with a managing committee consisting of representatives of multilateral organizations. The arrangement could include special fiduciary oversight through a monitoring agent reporting to the trust fund administrator. The Afghanistan Reconstruction Trust Fund has been cited as an example. As with government-administered special funds, a multi-donor trust fund would channel funds to priority reconstruction programs, reduce the transaction costs of processing donor funds, and simplify reporting. Some donors believe that multi-donor trust funds would provide a higher fiduciary standard and better assurances of equitable distribution of reconstruction resources. There is also a consensus that having a single, multi-country, multi-donor trust fund would be much more difficult to manage than separate country funds. Further discussions among governments, donors, multilateral partners, and the World Bank are needed to clarify mechanisms for channeling donor funds to government programs.

66. **Bank Financing.** For its part, the Bank would follow the leadership of the affected countries. The Bank is proposing to channel IDA funds through the government-administered special funds in Maldives, and to finance reconstruction programs through conventional financing of public investment in Sri Lanka. In India, IDA funds might, at least in part, be channeled to support government programs on a sectorwide basis. In Indonesia, the Government is reviewing both a programmatic approach and an MDTF for channeling and managing additional donor funds, including IDA credits and World Bank grant resources. Discussions on portfolio restructuring and refocusing of pipeline projects are also under way. (See Table 7.)

Table 7. Proposed IDA/IBRD Support in 2005 (US\$, millions)

	Indonesia	Maldives	Sri Lanka
Restructured Credits	76.0	12.0 ^b	75.0 ^c
New Credits/Grants (IDA13)	145.0 ^a	2.0	75.0
(o/w percentage grants)		40.0	40.0
New Credits	t.b.d.	12.0 ^d	250.0 ^d
Other WB Grants	25.0		

^a Includes restructuring of 2005 pipeline projects, supplemental credit amount, and new lending.

^b Cancelled amount from existing credits.

^c Up to US\$75 million will be provided through a reallocation of the portfolio. However, given the overwhelming pledging of resources, it is anticipated that a substantial share of this may be provided on a grant basis by other donors.

^d Very preliminary estimate.

Note: t.b.d. = to be determined.

67. **Aid Coordination.** The World Bank was in contact with governments of affected countries and leading partners such as the UN and AsDB in the first days after the disaster and has maintained close contacts since. Needs assessment missions have been staffed jointly with AsDB and UN staff and have also included representatives of bilateral donors and other multilateral institutions. The Bank participated in the Special ASEAN Leaders' Meeting on the disaster in Jakarta and the UN Flash Appeal meeting in Geneva. Aid coordination during the reconstruction phase most likely will take place at the country level and be country led; the Indonesia Consultative Group meeting has already taken place. However, some donors may consider that a regional meeting is needed to launch the reconstruction process, define responsibilities and accountabilities, guide aid allocation across countries, as well as to firm up financing and fiduciary arrangements. While the World Bank sees most aid coordination taking place through the usual consultative group processes, it would be willing to help organize a regional meeting if called upon.

68. **Paris Club Debt Relief.** On January 13, 2005, Paris Club creditors announced a debt moratorium for countries impacted by the tsunami disaster. The countries included are India, Indonesia, Malaysia, Maldives, Myanmar, Seychelles, Somalia, Sri Lanka, and Thailand. These countries have the option to request a deferral of principal or principal and interest payments due to Paris Club creditors.

69. **Special Arrangements.** This debt moratorium is a specific measure designed to help address the problems caused by the tsunami disaster. It is outside the scope of the normal debt restructuring mechanisms and, for this reason, many of the standards rules do not apply. Notably, countries that ask for a deferral of their debt service payments within a prescribed timeframe need not conclude an agreement with the IMF. Nor will they be expected to seek comparable treatment (or deferral) from other creditors.

70. **Proposed Consolidation Period.** Creditors are open on the period during which debt service payments may be deferred, but it is expected to be in the range of six months to two years. Likewise the repayment period for deferred claims has not been specified, but it is expected to be relatively short (five years) and certainly well below the standard rescheduling

terms accorded by the Paris Club. This is consistent with the fact that the debt moratorium is seen as a temporary "payment holiday" to help countries through the difficult post-disaster period and not as a mechanism for addressing more fundamental debt problems.

71. **Debt Service Covered.** The debt service that may be deferred is principal and interest on any official development assistance loan and principal and interest on loans previously rescheduled by the Paris Club. Excluded is debt service falling due on guaranteed export credits that have not been rescheduled, since deferring debt service on these credits effectively amounts to a call on the guarantee by the export credit agency, which could send a negative signal to the financial markets.

72. **Treatment of Interest Payments.** Creditors have different views on how treat interest payments falling due during the debt moratorium and this will be the subject of bilateral negotiation. Most expect to capitalize deferred interest payments as they come due but some creditors are prepared to forgive moratorium interest. However, in these cases the resulting loss to the creditor will be counted against the special aid commitments that have been announced in response to the tsunami disaster.

73. **Bank Analytic and Advisory Support.** Along with the IMF, World Bank staff are assisting affected countries in examining all financing options. Key issues include additionality of funding, the degree of concessionality, and the impact of rescheduling on the longer-term profile of debt service payments.

VI. NEXT STEPS

74. As the needs assessments are completed, IDA will finalize work on emergency reconstruction credits and grants for the most affected countries: India, Indonesia, Maldives, and Sri Lanka. The Bank will continue to work to support its partners in providing assistance in Seychelles and Somalia but will help them draw on available but relatively small-scale non-operational grant funds. During the preparation and implementation of IDA operations, the governments will update cost estimates for reconstruction. These operations are being scheduled for Board discussion, starting in February. The first to come are likely to be those involving restructuring of existing projects. The discussions of these operations will provide an opportunity for the Board to review reconstruction plans, their implementation, and the scale of IDA support. The latest cost estimates would be presented before the consultative groups planned for India, Maldives, and Sri Lanka in the coming months. We expect to report back to the Board on the overall reconstruction program in about three months.

IFC SUPPORT FOR POST-TSUNAMI RELIEF AND RECOVERY

1. IFC is working closely with the World Bank, the Asian Development Bank (AsDB), and other donors to support private sector activities that contribute to relief and recovery.
2. **Short-Term Relief.** IFC Management has approved an allocation of US\$2.5 million from the IFC Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS) to support immediate post-tsunami relief efforts by the private sector in Indonesia, the Maldives, Sri Lanka, and Thailand through a matching grant program.¹ Major constraints to the relief effort are bottlenecks in getting supplies and services to the affected areas. The program will be targeted at alleviating infrastructure and distribution bottlenecks for relief operations and providing emergency health services and clean water.
3. **Partnerships.** IFC will partner with selected private companies, including IFC client companies, to assist in the relief effort. A number of private companies in the region, including IFC clients, are using their resources to provide shelter, water, medical services, and communication and transportation facilities to assist affected communities. IFC will provide immediate support to clients who have resources on the ground, can respond rapidly to emergency needs, and can complement the normal channels of emergency aid funding. If it is determined that the needs on the ground are greater, IFC may consider an additional allocation at a later date and will seek formal Board approval in that case.
4. **Medium- and Long-Term Recovery.** Private sector activities—notably tourism and fisheries—play a key role in the livelihoods of affected communities. Beyond the tourism sector, most private enterprises are small or microenterprises. Private construction companies will play a key role in site clearance and reconstruction activities. There may also be a role for private or municipal finance in reconstructing infrastructure in affected areas. IFC has participated in World Bank missions to affected countries, and it has been in contact with clients and other companies operating in affected areas to assess the need for financing or technical assistance to support the recovery of these private sector activities.
5. **Financing.** IFC is considering financing facilities that will rapidly mobilize long-term debt financing for the recovery of the tourism operations in affected areas. This could help companies meet the cost of reconstruction and weather the downturn in tourism arrivals. IFC is exploring mechanisms to mobilize financing for small and medium enterprises (SMEs) and microenterprises in affected areas, working with local financial institutions. In the longer term, IFC may be able to finance housing through support for mortgage-lending institutions, and infrastructure reconstruction through project finance and/or support for local financial intermediaries. IFC is also exploring the scope to mobilize funding for affected municipalities through partial credit guarantees. In all of these, IFC will explore opportunities to leverage donor money through public-private partnerships and risk-sharing structures to increase the

¹ A note to the Board regarding the FMTAAS allocation was circulated on January 6, 2005 (IFC/Sec M2005-0005).

impact of aid and improve implementation and long-term financial sustainability through the involvement of the private sector.

6. **Technical Assistance (TA).** IFC will accelerate the launch of a new multi-donor TA program for SME development in Sri Lanka and the Maldives, already under preparation (US\$2 million was committed by IFC in FY04). Building on successful models from the existing South Asia Enterprise Development Facility and other Project Development Facilities, this program will provide TA to financial institutions to support increased SME and microenterprise lending; and provide targeted TA to support recovery and growth of SMEs in the agribusiness, construction, fisheries, and tourism sub-sectors. It will also work to improve the business climate for investment in Sri Lanka and the Maldives, which will facilitate new investment by the private sector.

7. **Support for SMEs.** IFC is also considering extension of its SME TA activities in Indonesia, currently delivered through Program for Eastern Indonesia SME Assistance. There may also be specific TA initiatives to complement SME/microenterprise and tourism financing activities in Indonesia and Thailand.

4. **Medium- and long-term recovery.** Private sector activities—particularly tourism and fisheries—play a key role in the livelihoods of affected communities. Beyond the tourism sector, most private enterprises are small or microenterprises. Private construction companies will play a key role in site clearance and reconstruction activities. There may also be a role for private or municipal finance in reconstructing infrastructure in affected areas. IFC has participated in World Bank missions in affected countries, and it has been in contact with clients and other companies operating in affected areas to assess the need for financing or technical assistance to support the recovery of these private sector activities.

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MIGA ROLE IN POST-TSUNAMI RECOVERY

1. MIGA provides political risk insurance (PRI) for private foreign investment and technical assistance to facilitate such investment in its developing member countries. With regard to PRI, MIGA has traditionally primarily operated in response to requests from investors for cover on specific prospective deals. While MIGA stands ready to respond quickly and with a positive view to investment proposals related to post-tsunami recovery activities, it needs to be recognized that a purely passive posture will likely not lead to many deals being concluded.
2. MIGA is not a "first responder" at the time of crisis; instead, its product offering lends itself to a phased approach, focusing on technical assistance capabilities (both information dissemination and capacity building) in the near term, and utilizing more proactive approaches to providing PRI in the medium to long term.
 - A. **Near-Term Actions**
 3. ***Experience of Economic Development Agencies in Addressing Post-Disaster Recovery.*** Economic development agencies in Florida, Texas, and other southern U.S. states and many other countries have extensive experience and recognized successes in rebuilding their infrastructure and economies in the wake of hurricanes and flooding. The experience of Florida in reestablishing its tourism infrastructure may be particularly instructive for investment promotion intermediaries (IPIs) and economic development agencies (EDAs) in hard-hits areas in Thailand and Sri Lanka. Likewise, investments in both the infrastructure sector and the fishing industry have been facilitated by EDAs, and may hold lessons for the tsunami-battered countries. Cooperation is planned to be explored in a teleconference between U.S. EDAs and their Asian IPI counterparts. Depending on the level of interest, this would potentially entail a workshop in Southeast Asia and follow-up capacity building and advisory work facilitated by MIGA.
 4. ***Online Services Provide Reconstruction Information.*** As the post-tsunami reconstruction effort takes shape, MIGA will utilize its online investor information services to inform the international business community about the individual country reconstruction programs and the resulting investment and private-public partnership opportunities. This will initially take the form of a special section within the Investment Promotion Network (IPAnet) web portal, which will provide an overview of each country's reconstruction program and links to further information available from the World Bank Group, government online sources, and private sector information services. MIGA will strengthen its institutional cooperation with the IPIs and relevant ministries in the host countries to obtain timely updates on new reconstruction initiatives and the resulting investment and business opportunities. The main sector focus will be on infrastructure and tourism, although this may be expanded in specific countries to reinforce the targeting strategy of the IPIs.

5. **Guarantees.** MIGA will consider providing PRI cover for affected commercial investments, but with a more proactive campaign to ensure investors are aware of what MIGA can provide. To better serve the affected countries, MIGA will ensure that appropriate resources are made available to actively promote PRI services to key potential investors, and provide expedited service to deals that arise. MIGA will work closely with the World Bank and IFC country offices to ensure that, to the extent possible, perceived risks do not inhibit the foreign private sector from playing a role in the reconstruction process (for example, housing, industrial parks, ports, marinas, hospitals, schools, tourism, infrastructure). MIGA would play a facilitating role, when necessary, in these business ventures.

B. Medium-Term Actions

6. **Develop Locally-based Information Channels.** MIGA plans to work with the Bank/IFC infrastructure (and relevant Regional) units and the relevant ministries in the affected countries to help develop effective locally operated information dissemination channels (for example, infrastructure web portals) that can take advantage of MIGA's online services (for example, IPAnet, PrivatizationLink, and FDI Xchange) to reach potential investors and suppliers. Given the scale and immediacy of the reconstruction needs, it will be essential to rapidly disseminate project information to the business community and to link these efforts to available support resources (for example, project development funding). Similar initiatives may be considered in other sectors depending on client demand.

7. **Establish Investment Guarantee Facility for the Region.** In Indonesia and Sri Lanka, the areas devastated by the tsunami are also in or near regions that have been suffering from long-standing civil conflicts. The Government of Sri Lanka has informed MIGA that it is interested in an investment guarantee facility that is similar to that being established by MIGA in Afghanistan, with World Bank and other support. The World Bank has asked MIGA to prepare the outline for a project proposal that the Country Director would discuss with government officials. MIGA could look at the possibility of including Indonesia in such an effort and build a project along the lines of the Afghanistan operation, that would, in addition to MIGA's regular guarantees, also include the possibility of providing local guarantees and coverage for "loans without equity" in support of privately financed import transactions (for example, health, agricultural equipment, etc.).

C. Longer-Term Outlook

8. The activities that MIGA could support through the provision of PRI would clearly need to complement the far broader and more extensive recovery activities under way or planned. In certain of the countries affected by the earthquake and tsunami, and for certain types of investments, the PRI MIGA provides might play a useful role. It should be noted that prior to the tsunami, there was little demand from investors to purchase insurance from MIGA in the affected countries: in the case of Thailand, MIGA has not insured any investments in the past because the perception of political risk is low; in India, the government has been reluctant to issue Host Country Approvals; in Indonesia, most of the demand has been for long-term infrastructure projects, and in particular power projects because of the involvement of the national electricity company; and in Sri Lanka, MIGA has seen little demand for guarantees

because of the continued perception among potential clients of uncertainties in the political climate.

9. However, MIGA is presently developing its policy with regard to the structure and nature of involvement in public-private partnership (PPP) arrangements, and the post-tsunami rebuilding may provide a particularly receptive proving ground for these efforts. Much of the reconstruction of public assets, such as of roads and bridges, will be carried out through procurement from private contractors. Given the level of aid pledged already (over US\$5 billion), much of this will be paid for from concessional sources, with the aid agencies monitoring procurement and ensuring payment. However, given the scale of what needs to be done, it is possible that for certain reconstruction needs, concessional funding will not suffice. A significant portion may still need to be funded by the respective governments. This may strain public finances, and for certain investments it may be appropriate to utilize private financing through a PPP structure. Investors and lenders, to the extent that local companies do not undertake these works, may be concerned about government payment risk, and will seek to insure their investments against that particular risk. This is certainly an area where MIGA could play a significant role.

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