A People's Agenda?

Post-Tsunami Aid in Aceh

February 2006
**EYE ON ACEH** is an independent research organisation that for several years has been publishing reports on critically important themes from Aceh’s past and present. We aim to encourage debate and discussion among and between Acehnese, Indonesian and foreign audiences on social, economic and political issues in Aceh. Our reports can be found on-line at our news information portal www.acheh-eye.org.

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Post - Tsunami Aid in Aceh

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Cover by Fahmi

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Acknowledgements

The list of those to whom we are greatly indebted, and without whose generosity of time this report would not have been possible, is indeed long: a very special 'thank you' to the local government officials in Aceh who gave not only information and insight, but also their on- and off-the-record opinions.

We are also grateful to the staff of the donors for whom policies of transparency translate into practice: the World Bank, both in Jakarta and Aceh; the staff of the Multi Donor Trust Fund; the ADB, and the delegation of the European Commission, all were most helpful. In addition, to the many local and international NGOs whose staff spent time to explain projects, share data, and occasionally even give an 'insider's' overview of programmes - thank you.

Many thanks also to friends who gave advice during the long process of researching and writing this document, and the reviewers whose candid and insightful comments were invaluable. We are also grateful to the patience and assistance of friends in both the Eye on Aceh offices, and to our network in Brussels. There is one friend who joined the team in the closing months of this project whose intellect and co-authorship has been invaluable: to Wynne Russell, many thanks.

And finally, to the Acehnese people - the victims of the tsunami - whose lives were ripped apart that day on 26 December 2004, and whose surreal existence forms the basis of this report: our gratitude, our admiration, and our solidarity lies with these courageous people.

Eye on Aceh Research Team: Dhoni, Firman, Jenny, Muhib, Safril, Samsul, Sofia, and Zakaria.
Executive Summary

This assessment gives voice to the responses of ordinary Acehnese - men and women - to some of the completed and ongoing rehabilitation and reconstruction programmes being conducted in post-tsunami Aceh. We were curious to know how individuals and communities in Aceh had been affected by their experience of the relief, reconstruction and development assistance programmes that have been mounted in the province since the disastrous events of 26 December 2004. In the course of our research, we asked Acehnese communities and individuals: Were they satisfied with the way that such assistance programmes had been carried out in their community? Were they consulted at the needs assessment, concept, or design stages of the programme? If so, to what extent? What measures were taken to ensure that all community members - including women, who traditionally have been marginalised in the Acehnese decision making process - were consulted? Were people kept abreast of developments as the project progressed through various stages of planning and implementation? How relevant and useful were the projects? Had there been a transfer of skills to local people during the planning or execution of the project? What had been the impact of the aid on local communities or individuals? And how could aid have been delivered more effectively?

Our research identified four main areas of concern. The first of these was consultation and communication with beneficiaries. All too frequently, we heard that Acehnese beneficiaries feel excluded from the rehabilitation and reconstruction process, reduced to the status of passive observers while others lay the foundations for their future. People often spoke of the anxiety they felt in the face of unexplained delays, and of their frustration when easily avoidable mistakes - design flaws in houses or boats, for instance - rendered assistance ineffective or inappropriate. Rather than a seamless transition from relief to rehabilitation and then to development (the LRRD principle), for many local people there was a disconnect between what was needed for recovery and rehabilitation and what was delivered. We found that many of the concerns raised might have been avoided had donors and implementers placed more emphasis on consultations with communities, including women, as part of pre-planning need-assessment exercises, project design, and project implementation; ensured that recipients were kept up to date on developments in projects; and capitalised on local expertise. In this context, we were troubled by the current emphasis on "socialisation," which suggests a one-way flow of information after plans are in place, rather than on genuine and equal two-way communication.

The second area of concern related to the impact of projects on Aceh's social fabric. Reconstruction aid to Aceh has all too frequently come at a social cost. Unequal levels of assistance, whether within or between communities or regions, and the ability of some individuals to profit from the presence of international agencies while others bear the brunt of inflation, are already fuelling social jealousy. Meanwhile, the potential for tension between those displaced by the tsunami and the communities into which many have settled will only grow as more people migrate from 'non-tsunami-affected' regions into 'tsunami-affected' ones in search of employment and assistance. As the divide between winners and losers in the reconstruction aid stakes grows, and social capital is steadily eroded, the chances increase for social conflict. Indeed, despite increasing attention in the international development assistance community to the relationship between development assistance and conflict, many of the programmes examined in this study appeared to lack a conflict-sensitive perspective. Meanwhile, the marginalization of women in decision-making processes reinforces existing patterns of gender discrimination.

The third area of concern was the way in which donors and implementers handled the project cycle. In particular, we were surprised by the lack of donor and implementer monitoring of projects, which might have identified ongoing problems, and of post-project evaluation, which might not only have identified issues of concern but might also have led to a crackdown on incompetent or corrupt partners. We also were alarmed to find that donors and implementers frequently ignored the recommendations of internal and external evaluations of broader agency strategies.

The final area of concern was that of sustainability. Donors and implementers often appeared more focused on their own short-term need for visible results than on the longer-term needs of the local population. We were concerned that in the rush to spend money, not only were donors and implementing agencies too busy to actively build the local capacity that will be vital if ambitious programmes are to be sustained after outside actors leave, but some programmes' partnerships actually lowered capacity and morale in some local groups. We further identified an alarming level of ongoing environmental damage related to reconstruction efforts, in particular deforestation resulting from illegal logging, which not only threatens the province's biodiversity and potential for economic activities such as ecotourism but has the potential to lead to yet more natural disasters such as the flooding and mudslides that killed around 20 people and displaced thousands more in 2005.

Taken together, these areas of concern appear to have contributed to a number of worrying outcomes. First, many beneficiaries have been left feeling powerless and frustrated, adding stress to an already traumatised population. Second, persistence in inappropriate or ineffective programmes has led to substantial waste, both of money and material and of good will. Third, disparities in reconstruction assistance between individuals, communities and regions runs the risk of creating new social divisions as well as of exacerbating existing ones. Finally, the study's findings raise serious questions about whether Aceh's social or physical environment will be able to stand up to the short-and long-term effects of many aspects of the reconstruction effort.
In light of these findings, we offer 20 recommendations, grouped into five general categories:

Communication and consultation with local communities
• Improve community consultation at all stages of project implementation.
• Improve communication with communities.
• Increase community participation in project implementation.
• Increase women's participation in community consultation, communication, and implementation.
• Increase involvement of civil society organisations.
• Be sensitive to broader community priorities when initiating projects.

Building local capacity
• Strengthen cooperation and collaboration with local government.
• Take steps to prevent brain drain from the civil service.
• Work to increase the capacity of local NGOs using a needs based agenda.

Avoiding social conflict
• Be sensitive to potential conflicts between locals and outsiders.
• Reduce the aid gap between 'tsunami-affected' and 'non-tsunami-affected' areas.
• Defuse social jealousy emerging around the issue of different types of housing.
• Ensure cash-for-work schemes do not widen the poverty gap, or cause social jealousy.
• Prioritise efforts to address the policy gap vis-

Protecting the environment
• Take tough steps to reduce the use of illegally logged timber and to ensure that other construction materials come from environmentally sound and legal sources.

Monitoring and evaluation
• Restructure the project and programme evaluation processes to include beneficiaries.
• Engage in more monitoring of local partners.
• Be responsive to changes in conditions and needs.
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Glossary of Terms

Adat: Customary law
Bahasa Indonesia: The language of Indonesia
Barak: Temporary shelter
Bupati: District head
Camat: Sub-district head
Desa: Village
Dinas: Local government department of line ministries
Dusun: Sub-village
Geuchik: Village chief
Gotong Royong: Community joint works for community purposes
Kabupaten: Government administration at district level
Kecamatan: Government administration at sub-district level
Madrasah: Islamic educational institution
Meunasah: Community/village hall
Panglong: Shop where people buy processed wood
Polsek: Sub-district police office
Posko: Temporary Coordination Centre
Provinsi: Government administration at provincial level
Tambak: Shrimp/fish ponds
Walikota: Municipal head
Warung kopi: Coffee stalls
Yayasan: Foundation
I. Introduction

The assessment

This assessment gives voice to the responses of ordinary Acehnese - men and women - to some of the completed and ongoing rehabilitation and reconstruction programmes being conducted in post-tsunami Aceh. We were curious to know how individuals and communities in Aceh had been affected by their experience of the relief, reconstruction and development assistance programmes that have been mounted in the province since the disastrous events of 26 December 2004. In this respect, we were interested not just in the degree to which various programmes had met quantitative targets, but to what extent ordinary Acehnese felt that reconstruction programmes had been sensitive to, and in fact met, what they identified as their needs. In this context, we were interested in how donors and implementers had included communities in project conceptualisation, design and execution and in how they monitored the success of their projects. This study does not purport to be an overview of the entire relief, rehabilitation or reconstruction process in Aceh. Rather, using a series of case studies from the activities of five major donors, mainly from the rehabilitation and reconstruction phase, we identify common trends that were also visible in many other projects and aspects of broader reconstruction efforts.

There is no doubt that international assistance was vital to the relief effort in Aceh, providing food, water, shelter and medical care for hundreds of thousands of tsunami victims. In moving from relief to rehabilitation, and finally to the reconstruction and development phases, the international community, and in particular the five donors on whose projects this study primarily draws, have made enormous contributions. This report does not seek to denigrate this very positive and necessary work. Rather, it seeks to make a constructive contribution towards identifying ways in which past mistakes might be avoided in the future and ongoing projects might be improved.

Most projects had some things go right and some things go wrong. In presenting a few detailed stories that are scattered throughout the report, the intention is not to issue individual praise or indictments, but to provide fully contextualised examples of themes that emerged in many projects. These case studies are presented to show how the positive or negative dynamics from one action or issue can spill over to the larger project environment, affecting mechanisms and creating results that may linger in the community long after the donor is gone. Ideally, these lasting impacts would be positive, but in many cases they tend to be more negative.

Methodology

Between March and December 2005 we visited over a hundred communities and looked at almost 50 projects across five major areas - emergency aid, health, housing, livelihoods, and infrastructure - funded by five major donors. We conducted individual and focus group interviews, meetings, and briefings, as well as direct observation; we also conducted random questionnaire-style interviews in communities. To hear the other side of the story, we also collected print information from and talked to donors and implementers.

The research was carried out by a team of six Acehnese researchers, one Indonesian researcher in Jakarta, and researchers in Australia and in Brussels. In total, we collected information from over 120 Indonesian and international government and non-government organisations, intergovernmental organisations, and international financial institutions; in the process, we spoke to about 1,000 individuals.

The donors from whose programmes the bulk of the case studies and examples are drawn are the Asian Development Bank (ADB), the World Bank, Australian government assistance, primarily through the new Australia-Indonesia Partnership for Reconstruction and Development (AIPRD), the European Commission (EC), and the Multi Donor Trust Fund for Aceh and North Sumatra (MDTFANS, hereafter MDTF). Some of these donors, such as the ADB and World Bank, work closely with the Indonesian government and channel the majority of their funding on-budget via the Indonesian Ministry of Finance. This has led to delays in disbursing funds; in fact most of the ADB's programmes planned for the first year have been delayed until 2006. Both donors have expanded existing programmes, and established new ones to assist in reconstruction efforts. The ADB and World Bank are involved in the medium to long-term reconstruction and rehabilitation process, contributing not only money, but much-needed technical assistance to Indonesian government departments and mechanisms. In contrast, the AIPRD usually implements programmes via managing contractors, using these companies to disburse funds directly to the project in the field. Their rationale for this approach is that it partly allows for quicker implementation of programmes. Similarly, the European Community's Humanitarian Aid department (ECHO) responds to emergency situations via a system of long-standing partner organisations. Its funds can be disbursed swiftly and off-budget; although primarily emergency focused, ECHO can continue to fund secondary emergencies for several years in one disaster zone. Meanwhile, the European Commission has put its reconstruction faith in the MDTF, committing all its longer-term rehabilitation and reconstruction assistance to the Trust Fund to manage. As the single largest donor to the Trust Fund, the EC is the co-chair and is able to have substantial policy input into both on and off-budget grants from the fund. The MDTF itself was established by the Indonesian government and the World Bank; its 15 members have contributed more than $530 million. The Fund was initially established to support large-scale on-budget programmes using Indonesian government mechanisms, but more recently has turned to some direct (off-budget) funding to partner organisations. Together, these donors represent a variety of mechanisms for channelling assistance; even though not all are among the largest donors to the Acehnese reconstruction effort, their programme variety in terms of substance and mechanisms make them of interest.

The initial problems faced by the research team were those relating to identifying who in a particular agency or donor was responsible for specific programmes, and who had the information that was required for our research. We were conscious of the drain on already overstretched human resources of many donors and implementers, and were careful to consider time and other constraints. For the most part, staff from the primary donors were extremely accommodating with
their time and forthcoming with information. The MDTF and the World Bank operated an almost ‘open door’ policy with our team; the ADB and European Commission delegations were also very helpful. The exception was the AIPRD and its parent agency AusAID; despite several attempts by phone, e-mail, and even personal visits to the offices in Aceh, requests to meet senior members of staff were refused. We were told on several occasions that a dedicated member of staff in Canberra, Australia was the only person with the authority to provide information on the reconstruction process; this person, however, was uncontactable by phone or e-mail. For this reason, the analysis of Australian programmes is almost wholly informed by our on-the-ground research, with minimal input from members of the Australian government’s public relations staff in Jakarta and some junior staff in Aceh. Meanwhile, we met with varying degrees of helpfulness from implementers, ranging from a high level of transparency to a refusal to speak with us; many were reluctant to speak about project specifics such as budgets and such basic information as the exact location of a project and who implementing partners were. There was particular sensitivity when the implementing partner was a local non-governmental organisation (NGO) or community-based organisation. The research team was often left with the impression that site visits and in-depth discussions with staff members were most unwelcome.
II. Aceh and the tsunami

Before the tsunami, Aceh was, in the Indonesian context, a relatively wealthy province in terms of resources availability. Most people lived in their own homes and had access to land. Economic activity was focused largely around traditional farming and fishing, as well as forestry with 47% of Aceh’s workforce engaged in these sectors. Many others were small traders or civil servants, or worked in the service sector. Nevertheless, this is not to say there was no poverty in Aceh; violent conflict in the province had all but destroyed Aceh’s economy. Government data shows that in September 2004, 53.3% of families in Aceh were living below the poverty line.4

At the time when the tsunami swept ashore, a bloody war of independence had been raging in the province for almost 30 years, leading to an estimated 15,000 deaths. Many thousands more were tortured or imprisoned, or simply disappeared. The social and economic fabric of Aceh’s society was considerably weakened, leaving many communities with impoverished social services and economies that had long ceased to function. After years of escalating violence, a peace process began in 2000 that produced weak agreements aimed at stemming the violence; unfortunately, none were long-lived. Fire and destruction caused by the December 2002, the Cessation of Hostilities Agreement (CoHA) was signed between the Indonesian government and the Free Aceh Movement (GAM). Many were hopeful that the CoHA could in fact bring peace to the troubled province, but several months later, amid escalating violence in the field and an increasingly hardline stance from some members of the Indonesian government and the armed forces (TNI), further peace negotiations were cancelled and war against the separatists was declared. The CoHA collapsed on 18 May 2003 and martial law was imposed in Aceh one day later. The GAM peace negotiations were arrested, charged with treason and imprisoned. Several weeks later, Aceh was effectively cut off to the outside world, and local media was tightly controlled as the Indonesian military embarked on a search-and-destroy mission to “crush” GAM and its supporters. Finally, after a violent and bloody year of martial law in which 2,000 people (largely civilians) were killed, the security situation was downgraded to a state of civil emergency. But the estimated 40,000 military and police that had been stationed in the province during martial law to fight GAM remained, and were in fact instrumental in saving lives in the hours and days after the earthquake and tsunami of December 2004.5

A devastating earthquake and tsunami

At 8 am on 26 December 2004, an earthquake measuring 9.0 on the Richter scale occurred in the Indian Ocean. Its epicenter was just 150 kilometres from Indonesia’s most northwestern province of Aceh. Less than an hour later, a tsunami reached the southern coast of Aceh and the North Sumatran island of Nias, its waters reaching as far inland as seven kilometres in some places. Similar waves also struck over a dozen other countries in Southeast Asia, South Asia and East Africa.

Seemingly sturdy structures were razed; ships were ripped from their moorings and came to rest on top of buildings; thousands of dead bodies lay scattered. In the area worst affected, the administrative district of Aceh Jaya, 85% of buildings were damaged, while the province’s capital of Banda Aceh sustained 75% damage. Thirteen of Aceh’s twenty-one administrative districts were affected by the tsunami, six of them severely. The coastline was redrawn, with land both lost to and gained from the sea. The damage to infrastructure was massive: communications were wiped out, fuel depots destroyed, drinking water supplies contaminated, bridges and ports unusable. Hospitals and clinics were washed away, collapsed, or were so badly damaged that they became inoperable.

In the immediate aftermath of the tsunami, the military and teams of volunteers raced to bury the tens of thousands of bodies that littered the streets, were trapped in the debris and cars, or were even found in trees and on top of buildings. Across Aceh, 130,736 people were killed and 37,066 people left missing; more than 100,000 bodies are now buried in mass graves.6 Among these were thousands of individuals whose skills would have been vital to the emergency relief effort: health personnel, police and military, and local government officials and civil servants.

Meanwhile, with around 123,000 houses destroyed,7 some 514,150 people fled to refugee camps, with an estimated similar number moving in with relatives or friends or building makeshift huts.8 Some of the more remote camps lacked food and many were short of potable water and sanitation facilities. In the first few days, the shortage of clean drinking water, medical assistance, medicines, and lack of sanitation created a potential public health emergency.

As the waters receded, it became evident that hundreds of thousands of livelihoods had been destroyed. Thousands of fishing boats were damaged and lost, along with half of the existing fishing industry infrastructure.9 Meanwhile, 25,840 out of 36,614 hectares of brackish water shrimp/fish ponds (tambak) were damaged.10 In addition, fields and plantations disappeared under water, or became so silted up with mud and salt that they were rendered useless. In the agriculture sector, 57,758 hectares of irrigated land, and 28,948 hectares of non-irrigated agricultural land were damaged and in need of minor or extensive repair. Irrigation networks in these districts were also damaged. Thousands of head of livestock were lost. In total, more than 240,000 families traditionally involved in the agriculture sector lost their livelihoods, and rice production in 2005 decreased by 397,504 tons from the previous year.11

The province had also suffered terrible damage to institutions critical to its long-term reconstruction. The provincial government and many local level administrations were devastated, suffering substantial loss of personnel, expertise and infrastructure: in February 2005, it was announced that 2,992 out of a total of 77,530 registered civil servants in Aceh were killed, with a further 2,274 still missing.12 District, sub-district and village level governance was also weakened; many current camat (sub-district heads) and kepala desa (village heads) have been appointed post-tsunami. The damage to the health and education...
sectors was substantial. More than 500 health workers died or are missing, 8 hospitals were damaged, and 114 health centres. In education, over 380 schools were destroyed, and 954 damaged, and more than 2,000 teachers are dead or missing. The Department of Religious Affairs also reported that 209 of its madrasah (religious schools) and 155 pesantren (traditional Islamic boarding schools) were damaged. The State Islamic Institute (IAIN), one of the biggest and most prestigious universities in Aceh, sustained substantial damage; the Directorate General of Higher Education also reported that as many as 200 university lecturers across the province were killed. The local media infrastructure was also ravaged. Aceh’s daily newspaper, Serambi Indonesia, was unable to cover the biggest story in its history: located only 500 metres from the coast, Serambi’s office and printing presses were destroyed, and almost half of its staff killed. Banda Aceh also lost 16 radio stations, while in Meulaboh on the west coast, all four local radio stations were either completely or partially destroyed.

Humanitarian response: the emergency phase

By the evening of 26 December, Indonesian President Susilo Bambang Yudhoyono declared a national disaster and ordered line departments and ministries to mobilise available resources for the emergency response and recovery processes. For the emergency relief and rescue efforts, Vice President Jusuf Kalla was appointed to lead an existing government emergency mechanism, the National Coordinating Board for Disaster Management and IDPs (BAKORNAS PBP). In the days immediately following the disaster, BAKORNAS PBP was mainly tasked with providing immediate assistance to tsunami survivors in the form of search and rescue, food, shelter, and medical help, as well as with burying the dead. In these tasks, they were joined by the forces both of GAM (which declared a unilateral ceasefire on 26 December and joined in relief efforts) and of the TNI (which, to a far greater extent than GAM, had itself suffered significant losses of life and equipment). Some 15,000 of the 40,000 TNI troops in Aceh were detailed to the humanitarian relief operation, and an additional 12,000 troops were sent to Aceh on 14 January 2005 to hasten the burial of bodies and clearing of debris. These efforts were quickly joined by thousands of volunteers from the provincial government, the central government, relief organisations, and communities from elsewhere in Indonesia.

During the first days after the disaster, Aceh remained closed to outsiders, as it had been during both martial law and the subsequent civil emergency. It soon became evident, however, that the scope of the disaster made outside assistance imperative. On the afternoon of 28 December 2004, the Indonesian government formally requested the help of the UN and others for the relief effort. In particular, Kalla invited the United Nations Office for the Coordination of Humanitarian Affairs (UN-OCHA) to coordinate the international relief effort and international aid workers. Many relief organisations had already dispatched emergency medical and rescue teams to stand by in neighbouring areas waiting for permission to enter Aceh. When the province was opened on the evening of 28 December, international NGOs and foreign government relief teams streamed in. Meanwhile, foreign militaries arrived in Aceh with helicopters, transport aircrafts and ships to facilitate the movement of logistics and key personnel to the areas that were cut off. A TNI press release on 17 January noted that 4,478 foreign troops were already in Aceh. Any immediate or real threat to the lives of survivors was minimised by international teams playing a key role in providing health services, temporary accommodation, and clean water for survivors.

It soon became evident that massive international funding would be necessary across the tsunami-affected regions not only for the emergency relief effort, but also for longer term reconstruction efforts. Many donors rapidly rose to the occasion. Within only a few hours of news of the tsunami, the EC, through its humanitarian department ECHO released €3 million ($3.6 million) in immediate assistance for the region, with a further €20 million committed later that week. The UNDP also released funds ($500,000) on the same day, and by 27 December, Australia had already dedicated A$10 ($7.5) million to tsunami-affected regions; many others scrambled to respond quickly. A few days after the tsunami, the international community had already pledged half a billion dollars for support to the affected countries in the region. That figure jumped to more than $800 million by the end of December 2004, when the United States increased its pledge from $35 million to $350 million. On 6 January 2005, the UN Secretary General launched a Flash Appeal for the affected region. At a meeting in Geneva on 11 January, donors pledged 77% of the $977 million requested for immediate relief ($371 million of which was for Indonesia). By 6 April 2005, a midterm review of the Flash Appeal adjusted the amount needed across the tsunami affected region upward to $1.087 billion. The allocation for Indonesia alone had increased to $396 million. A further review of the Appeal is planned for the period January-June 2006; it is likely that the total will rise again.

Meanwhile, the outpouring of private charitable donations worldwide was unprecedented; eventually reaching $2.5 billion. In Britain alone, the public pledged £20 million ($35.35 million) in less than 48 hours after the UK Disasters Emergency Committee (DEC), an umbrella group for a dozen British charities, launched its Tsunami Earthquake Appeal on 28 December 2004. American private donations for tsunami affected countries were estimated at around $1.3 billion; Australian private donations to NGOs totalled A$375.3 million ($281.1 million). Many organisations indeed ended up closing their appeals; for instance, the DEC closed its appeal - the biggest-ever fundraising campaign in UK history - on 26 February 2005, after raising more than £300 million ($528.8 million). The Red Cross organisations also stopped taking donations, as did many others.

Shifting from relief to reconstruction

In this context of generous giving, both the Indonesian government and the international community moved rapidly to determine the country’s needs. Indonesian line ministries, in particular the National Development Planning Agency (BAPPENAS) was tasked with documenting the loss and damage of assets and the anticipated costs of reactivating local government and social services. Hundreds of poskos (temporary coordination centres) sprang up throughout Aceh, and
acted not only as distribution points but data collection centres. The estimated total damage and loss for Aceh and affected areas of North Sumatra was totalled at $4.5 billion - 97% of Aceh's pre-tsunami annual gross domestic product (GDP). After a subsequent earthquake on 28 March 2005, the damage and loss figure increased to $4.8 billion. The total estimated needs for long-term recovery and rebuilding of Indonesia's tsunami-affected regions were $5.0-$5.5 billion.

In response, donor pledges were generous. According to the United Nations Special Tsunami Envoy, as of December 2005 the total funds pledged by the international community for Indonesia's long-term recovery came to $6.1 billion. Of the funds pledged, approximately $3.6 billion is from multilateral and bilateral donors and international financial institutions, with another $2.5 billion from NGOs, the International Federation of Red Cross and Red Crescent Societies (IFRC), and others.

In June 2005, the Indonesian Parliament approved an increase in the National Budget allocation for Aceh from Rp 10.7 trillion ($1.15 billion) to Rp 13.3 trillion ($1.4 billion) to contribute to the rehabilitation and reconstruction process. Of the $1.4 billion total, Rp 8.8 trillion ($948 million) comes from funds released by international creditors' debt moratorium and the rescheduling of foreign loans; Rp 3.9 trillion ($420 million) in the form of grants from foreign governments, and Rp 0.6 trillion ($420,000) from re-allocation of project loans.

Bureaucratic delays: the dilemma of on-budget mechanisms

While there thus is no shortage of funds for post-tsunami needs, the money has not been flowing to projects as quickly as expected. Some donors, such as the AIPRD, lacked capacity to implement programmes quickly after the disaster and came under much criticism at home for slow disbursement of funds, while others, such as the ADB and World Bank, chose to channel funds on-budget. Indonesian government financial mechanisms, newly reformed to promote sound financial management, were unable to cope with the sudden influx of such large amounts of money. Extensive bureaucratic requirements, including a newly devised programme planning and expenditure document have caused long delays, with grant disbursement approval often stuck in the Ministry of Finance. Under the coordination of the line ministries, new working units put in place to submit draft activity and budget plans also caused delays; according to an official from the ADB: "Staff were slow to understand the new mechanism, which was in fact itself poorly developed." It is not unusual to hear officials of some large on-budget donors complain about the lack of capacity within these government ministries to deal with their own mechanisms. As one senior diplomat remarked: "Indonesia is an incredibly over-bureaucratic country. But if we try to interfere in that bureaucracy, the wheels will turn even more slowly." There is also frustration within the BRR. An Indonesian official concurs with the generally held view: "The excessive bureaucracy is making processes laborious and very slow. We really need the finance department to show a sense of emergency in this very unusual situation."

The excessive and inefficient bureaucracy has had significant impact on the rolling out of many projects, for instance those of the ADB. In April 2005, the ADB adopted a $290 million grant agreement with the Indonesian government to fund 12 sectors and implemented by the various line ministries. However, grants did not even begin to reach the local departments in Aceh until late November 2005. The ADB said its programmes had been frustrated by the delays caused by the complicated bureaucracy in the Ministry of Finance, and that the ADB had been in constant correspondence with Jakarta in an effort to release blockages. The head of the Department of Agriculture in Aceh was also frustrated after waiting six months for the ADB money, and afraid of mismanagement and waste if the programme had to be implemented too quickly. "The Department of Agriculture is scheduled to receive Rp 72 billion ($7,754 million) to be spent on repair and development of the agriculture sector between September and December 2005," he said. "But this is already November, and the money has not yet arrived, how can we spend it? I want the government to extend the programme implementation period until April." When the grant eventually reached the department in late November, an extension until April 2006 had been granted.

Similar frustrations have also been experienced by the MDTF, which has also channelled significant amounts of funds via on-budget mechanisms for various programmes. One programme whose start was delayed was the MDTF's "Reconstruction of Aceh's Land Administration System" (RALAS) programme. Ir. Razali Yahya, head of Aceh's branch of the National Land Agency (BPN), was not happy. "This process of land ownership should have begun much sooner", he said. "But the problem is that the MDTF insisted the money be channelled on-budget, via the Ministry of Finance, and we had to then submit a complicated budget and planning proposal. We effectively received the money early October, and began the programme immediately." A representative of the MDTF responded: "I am not saying the government's process is bad, but it is definitely slow. However, this is a government mechanism, and we cannot interfere in that. But what we can do is to tell them that their bureaucracy is very, very slow."

Reconstruction efforts assisted by new peace agreement

The terrible devastation caused by the tsunami had one positive effect: GAM and the Indonesian government returned to the negotiating table for further talks on how to reach a peaceful solution to the long and violent conflict. Several rounds of peace talks took place in the post-tsunami environment, which not only carried added urgency but was also more politically congenial to compromise than that of previous negotiations. Finally a Memorandum of Understanding (MoU) was signed on 15 August 2005 that was wide-ranging and aimed at sustainable peace and continued dialogue. The agreement leaves many issues for further negotiation and compromise and cannot be seen as a full guarantee of peace, but it does contain a greater measure of political goodwill than previous agreements. GAM has fulfilled its commitment to decommissioning a pre-agreed number of weapons (which it says are all its weapons); in return, the Indonesian military has withdrawn significant numbers
A variety of Indonesian government arms have been tasked with Aceh-related responsibilities. The National Coordinating Board for Disaster Management and IDPs (BAKORNAS PBP) was tasked to coordinate the emergency relief and rescue operations, as well as recovery in the emergency phase. In oversight of the emergency relief effort on a day-to-day basis, a provincial extension of BAKORNAS PBP, the Provincial Coordinating Board for Disaster Management and IDPs (SATKORLAK PBP) took control. At the district level, these boards are known as Implementation Units for Disaster Management (SATLAK PBP). Meanwhile, the National Development Planning Agency (BAPPENAS) has been charged with coordinating the work plan and funding for longer term rehabilitation and reconstruction. BAPPENAS was charged with preparing a blueprint or master plan for rehabilitation and reconstruction of Aceh and Nias island, finally submitted on 15 April. The Department of Finance, together with BAPPENAS, is responsible for coordinating the funding and controlling the finances for rehabilitation and reconstruction.

Meanwhile, there was an immediate need for an oversight body that would coordinate overall rehabilitation and reconstruction Aceh. The Bureau of Reconstruction and Rehabilitation (BRR) was established by presidential decree on 29 April 2005 to ensure a coordinated approach to planning, fundraising and implementation. The bureau’s initial operational expenses were covered by $12 million from the Indonesian Ministry of Finance; the bureau also relied on assistance to start from the Australian government, and continues to receive funds and technical support from many donors. The MDFT has committed $14.7 million to the BRR, and is providing technical assistance for human resource management, quality assurance and legal services, project management and other assistance. There is also significant information technology assistance, and an emphasis on monitoring to ensure a corruption-free process. The UNDP has also been charged with recruiting technical assistance, although the process has been subject to some delays due to bureaucratic bottlenecks within the UNDP. Furthermore, because the issue of foreign technical assistance had not been adequately socialised among local BRR employees, many feared that foreign assistance coming in would result in changes to systems that people had already worked hard to put in place. These problematic issues have now been worked out, but caused unnecessary delays earlier on.

The quantity and quality of the reconstruction programme will potentially have a profound impact on the sustainability of the new peace. Some donors have recognised the need for cross-mandate activities that will include ex-GAM soldiers and conflict-affected communities. For example, the World Bank has conducted GAM reintegration needs assessments, aimed at providing information to help understand the development needs of former combatants and their communities, and to consider current reintegration programming and potential obstacles. In essence, these qualitative assessments are aimed at identifying what development programmes might be included that will help to strengthen the peace process. The European Commission is also providing support to assist in measures to reintegrate former GAM combatants into civil society and democratic political life, and are considering assistance to wider conflict areas.
III. A people’s reconstruction agenda?

The reconstruction process

Difficult problems, difficult choices

Aid donors and implementers have faced many constraints in their reconstruction and development operations. Donors and implementers, their efforts complicated by high staff turnover in Aceh and their own internal bureaucracies as well as that of the Indonesian government, have had to grapple with a myriad of complexities related to rebuilding in such a damaged environment with shortages of available materials, as well as with the logistical and financial problems of moving and purchasing materials in a situation where roads, bridges and ports have all been damaged and where prices have been rising dramatically. The fact that the Indonesian government lacked a coordinating agency for tsunami aid until April 2005 meant that in many cases projects were largely determined unilaterally, and in a very ad-hoc manner. Uncertainty over an Indonesian prohibition (now largely ignored) on building within 2 kilometres of the coast as a safety measure only added to the confusion. And other issues have presented themselves as well:

• The tension between building back fast and building back well. There is an obvious tension between the need and desire for quick results and the need for interventions to be done in a correct and sustainable way, which inevitably requires a longer planning period. In the enormous outpouring of public, corporate and government sympathy that drove the tremendous financial response, there was an immediate and pressing sense of obligation on the part of the donors and implementers, to show that results could be fast, visible and wide-ranging. Hence, tremendous pressure arose to disburse large amounts of resources very quickly.

• The tension between simple reconstruction and building back better. The state of pre-tsunami infrastructure in Aceh was poor, due to years of under-investment by the government and a lack of private investment due largely to Aceh’s volatile security environment. The reconstruction efforts present a unique opportunity for the improvement of sewage and drainage systems, roads, schools, clinics and other public infrastructure, as well as for the establishment of new facilities such as libraries, pre-school facilities, or employment centres. But such improvements, which require careful planning, take time.

• The problems of working in an infamously corrupt environment. Both donors and the Indonesian government have taken steps to combat corruption within the relief effort, but the issue has consumed time and resources that might otherwise have been available elsewhere.

• The problems inherent in working with a traumatised, dispersed population with a low skills base, few or no resources, and severely damaged social structures, most of whom had no previous exposure to aid agencies, and the working practices of the UN, bilateral donors, INGOs and others.

In this difficult environment, most donors have made strong on-paper commitments to high standards of practice, including a commitment to gender sensitivity, environmental protection, consultation with beneficiaries, and the implementation of anti-corruption mechanisms. For an overview of the programmes of the five donors on whose projects this study draws, see Appendix 1, page 43

The 50 or so programmes that this study surveyed varied widely in their scope, objectives and their impact on local communities. Virtually all projects had aspects that had gone well; most had also faced difficulties in at least a few areas. In looking at the impact of programmes, we tried to think not only about their current impact, but also about their probable impact in the months and years to come. In this context, a few consistent areas of concern emerged.

Consultation and communication

Consultation during pre-project needs assessments

Pre-project needs assessments are vital to the successful identification and design of rehabilitation and reconstruction activities. They help donors conceptualise and prioritise projects, as well as to lay out provisional budgets. For the most part, however, we found that donors and implementers rarely consulted with communities (or indeed each other) during the pre-project assessment process. Such consultation might have helped ward off future problems, including ineffective or inappropriate projects or waste.

For example, better community consultation might have led to less wastage of small grants. Many donors are implementing small grants schemes in areas where no pre-tsunami economic profile has been conducted. In some of these areas, however, many of the businesses destroyed were medium-sized businesses, whose owners neither want nor need micro-credit. In Banda Aceh, for example, many of the communities now left destitute by the tsunami were in fact quite wealthy by Acehnese standards, and would like to restart the businesses they lost at the level at which they were previously operating. These people need access to larger credit facilities than are currently available from donors. Moreover, the small grants on offer - which usually do not exceed $250 per person - are inadequate to begin a business in Aceh’s high inflation economy. As a consequence, small grants given out by donors such as Mercy Corps, Oxfam, IOM, CHF, IRD, World Vision and many others are sometimes used to repay existing loans, buy second-hand motorbikes, repair damaged housing, or other “non-business” activities. Aminah and her friend are not untypical: the small business grant of Rp1.5 million ($162) received from IRD was spent on new hand phones. “What do they expect us to do with that small amount of money? Actually, we don’t want to begin a small business but they offered the money, so we took it. Our husbands need a loan to restart their previous business. That would be more useful, but is not available,” she said. (See “Grants versus Microcredit,” page 21). Efforts to pull together groups into cooperative or communal businesses, or even to open small kiosks or begin home industries, are encountering similar issues of local appropriateness.

Appendix 1, page 43
Donors have struggled to figure out how to deal with Indonesia's endemic corruption. The government does not have a good reputation for public finance management. This is one of the main reasons many of the donors to the Multi Donor Trust Fund give for channelling funds this way. The EC decided to channel its longer term aid through the MDTF: "The World Bank, as a trustee of the Fund, has the capacity to ensure transparency and accountability. We needed to be sure there is no leakage from our aid, and we are confident that the Fund's mechanisms can do that."\(^6\) The ADB's on budget mechanism also requires that they pay special notice to the issue of leakage. Therefore, the ADB has made it a core component of its work to be involved in several of the anti corruption mechanisms relating to the reconstruction process in Aceh. The ADB is working with the existing Corruption Eradication Committee (KPK), a government mechanism that has recently undergone reforms as part of the effort to rid the country of the endemic corruption for which it is infamous, and has also placed consultants within the BRR to assist with policies and processes for best practice "not only for our own grants, but to ensure all donors are protected against possible loss of funds. In this effort, we collaborate with others such as the auditing firm Ernst and Young."\(^4\)

Meanwhile, the chief of the BRR, Kuntoro Mangkusubroto, is himself keen to ensure the agency is "free from KKN (corruption, collusion and nepotism)." As part of these efforts, the BRR established an Anti-Corruption Unit (SAK) as a joint initiative with Indonesia's KPK; its main operating components are corruption prevention, investigation, education and the enhancement of integrity.\(^1\) The establishment of SAK was encouraged and is supported by foreign donors. A BAPPENAS official explained: "Basically, the donors pushed SAK on the BRR. They have given so much money to Indonesia for Aceh's reconstruction, and they will continue to give over several years. It's important for them to be sure government officials are not siphoning off some of those dollars for themselves."\(^5\) SAK has actively sought out cases of existing and potential corruption; between its inception in mid-September 2005 and mid November 2005, it received 120 reports, 20% of which were related to the issue of potential corruption, 18% were related to the issue of corruption in tender process, and 16% related to the work ethic of BRR staff.\(^6\)

By contrast, the World Bank's Kecamatan (Rural) Development Programme (KDP) and the Urban Poverty Programme (UPP), two community-driven development schemes, whilst not without problems, have given some measure of input for the local population into the needs assessment process. These schemes, which make block grants available to local communities for public infrastructure, are implemented through a system of sub-district and village facilitators, in coordination with technical experts, consultants and province and programme coordinators. The job of facilitators is to coordinate participatory planning meetings and to ensure broad consultation on the priorities of the village in preparation for submitting the proposal on the infrastructure projects for which the block grant is requested. Several hundred new facilitators have been recruited and trained to support the programme's post-tsunami expansion. During the emergency period, some 25% of the local block grants funds were made available to meet urgent and immediate needs of communities.

**Consultation during project design**

Once needs assessments have been conducted, consultation with beneficiaries over project design can also help ensure appropriate and sustainable outcomes. This study found, however, that all too common failure to consult with beneficiaries often led to potentially highly successful projects going badly awry, leading to wasted funds and leaving beneficiaries frustrated and demoralised, while donors who do consult often have more congenial relations with local communities, and better project outcomes.

Two areas extending across many donors and implementers that suffered badly from lack of coordination were those of housing and fishing boats. Twelve months after the tsunami, with almost 500,000 people still displaced, only 16,200 houses had been completed, with another 13,200 underway. Of those waiting for houses, around 67,000 live in tents, and between 60,000 to 70,000 in barracks.\(^4\) The remaining live in makeshift huts, or with relatives and friends. The process of providing housing in Aceh is inevitably slow due to the complexities of the task. Land ownership must be confirmed before building can take place; some land remains under water; there are great difficulties in transporting building materials; a shortage of legally-sourced wood; water and sanitation facilities take time to plan and implement, and clean water has to be trucked in to some areas. All of these factors conspire to stymie the efforts of agencies involved in the housing sector. The magnitude of such logistics problems and the often vocal impatience of Acehnese trapped in tents or unsatisfactory barrack accommodation serve to compound what one foreign NGO worker calls "the misery of working on housing in Aceh."\(^6\) In such an environment, greater agency coordination and collaboration (instead of the usual competition), and consultation with local people, would go at least some of the way toward alleviating these problems. As it stands, many implementers view adding on a potentially lengthy consultation process as a recipe for disaster, only complicating matters and lengthening delays. Our research suggests, however, that the frustration of those waiting for housing could be substantially reduced by employing a more interactive method of housing design. The frustration and anger that many local people feel in the face of delays is often greatly compounded when they see houses being built that are unsuitable to their family's needs. For example a housing project for civil servants sponsored by the Queensland government of Australia has resulted in houses that the occupants do not wish to inhabit (see "Going it Alone is Risky," page 27 ). Some communities, however, such as those working with the Catholic Relief Services (CRS) in Meulaboh have been given toolkits, materials and the necessary technical assistance.
Box | A voice for civil society?

Although most donors and implementers consulted national and local government officials at least to some degree during the needs assessment phase, few mechanisms exist for consultation of civil society groups. The activities of civil society groups - non-governmental organisations, civic action groups - were severely disrupted during the conflict in Aceh, very few NGO councils or other mechanisms exist that could bring together representatives of Acehnese NGOs. Some of those formed in the wake of the tsunami, such as the Aceh Recovery Forum, have also experienced a loss of local confidence as they move farther out into the political arena. Some local NGOs, for example the Aceh Legal Aid Foundation (LBH-Aceh), have attempted to engage with international donors, for instance through the production of ad hoc recommendations; regular informal discussions between implementing international NGOs and some local NGOs also occur. A regular participant at these meetings said that the impact on policy or implementation is minimal: "It seems that these international donors have their own agenda; they will not change that whatever we say."56

The MDTF, alone among donors, has two civil society representatives on its Steering Committee. In interviews for this report, however, neither of the Acehnese representatives, Naimah Hassan nor Humam Hamid, seemed to understand why they had been appointed to this body nor by whom these appointments were made. Both Hassan and Hamid said they make no claim to representing civil society on the Steering Committee, as they were not elected by the Acehnese people. Hamid stated: "When the person from the World Bank asked me to participate in the Steering Committee, I told them I thought it would be a conflict of interests because I am on the supervisory board of BRR. But they said that is no problem."57 Hamid intimated that there were minimal discussions before and after his appointment and that he has (by November) been to only two meetings. "I was told by the MDTF I was the civil society representative but they never explained why I was appointed, and what my rights and responsibilities are."58 The Trust Fund secretariat is aware that the system is imperfect. "We are aware that the civil society representatives "are not wholly representative, but we had no alternative at the time,"59 said the Trust Fund manager. Moreover, he continued: "To embark on a process of democratically electing civil society representatives would be long and arduous. But it is better to have some level of representation than none." The seventh meeting of the Steering Committee took place in December, with still no sign of any moves to make the civil society representation more representative.

At the same time, very few people within Aceh know of the existence of Acehnese representatives on the Steering Committee. Several months after its establishment, leaders of some of the larger civil society networks in Aceh were surveyed to assess the level of input to the Trust Fund's process.60 Of ten interviewed, only two were aware of any civil society representation. A representative of the Aceh Institute commented: "I know both Naimah and Humam in their private capacity, but I had no idea they were sitting on the Steering Committee of the MDTF. If they are representing civil society, [they should] coordinate with other civil society actors."61 Moreover, Chair of the influential Ulama Consultative Council (MPU), was not even aware of the existence of the MDTF.62 Both representatives on the Steering Committee admit that few Acehnese are aware of or understand their roles, positions or activities in the Trust Fund. Hamid explains: "If the Trust Fund wants us to socialise ideas and gather opinions here in Aceh, they should give us financial resources to do so. But they do not."63 By November, the MDTF had adopted a policy to socialise its activities to the communities in Aceh in preparation for the unrolling of its programmes, such as housing, and others that will directly involve the communities on a day-to-day basis. Yet more clearly must be done for the MDTF or the Acehnese community to reap benefits from the presence of these ‘civil society representatives’ on the Steering Committee.

to rebuild their homes, while those assisted by Muslim Aid in Kampong Jawa, Banda Aceh, are able to adapt a basic design to suit their own needs, even negotiating the size of the house depending on the number of people in the family. In such circumstances, community shelter meetings are much less heated affairs.

Meanwhile, the need for boats to replace the thousands lost in the tsunami was real and urgent. Many donors or implementers, however, did not consult with the local fishermen about the type and size of boat needed. According to Aceh’s traditional fishing association, Panglima Laot, almost half of the thousands of boats donated after the tsunami are either entirely inappropriate for Aceh’s treacherous waters or are too small (under 7 metres) to be used outside coastal waters and rivers, with implications for over fishing of coastal zones (see page 30).64 In some places, people were given boats of a poor standard, and some received no fishing equipment or funds to cover initial operational costs; in other cases beneficiaries complained that the nets given with the boats were the wrong type, and had to be replaced by the fishermen themselves. Indeed, if one travels the coastal area of Aceh, many ‘aid boats’ can be seen unused. The engines or other parts have usually been taken to use in other boats or to sell. Frustrated at the lack of positive response to their lobbying efforts with international donors, Panglima Laot said "the most important thing for many agencies is to be able to say they have given boats; whether or not the boats are then used is of little concern to some donors."65 The fishing association has further recommended that donors and agencies stop distributing boats under seven metres, as well as to consider environmentally friendly nets and other equipment.66

For example, ECHO gave the Agency for Technical Cooperation and Development (ACTED) nearly $1 million for the much-needed construction and purchase of seagoing boats and equipment for fishing communities in Nagan Raya and Aceh Barat districts. The first ten boats were handed over to fishermen in Nagan Raya in June 2005. However, five months later, none of the boats had ever been used for fishing - not even in the river.
"We don't want to use these boats," a local fisherman said. "They are not the usual boats we use around here. It would be dangerous to take them outside the river. ACTED never consulted with us about the boats. If they had asked us for input, we would have been very, very happy to help. They didn't, and now the boats are sitting in the water - they cannot go anywhere."57

"We don't really want the boat from ACTED, but we will take it. It's an 'aid' boat - that's all."
Abdul Manaf, Nagan Raya, 13 December 2005

Fishermen in Aceh Besar working with a French NGO TGH have a quite different experience: discussions with the TGH staff, local boat makers as well as an 'open invitation' to visit the boat shed to check on the quality and progress of the boats being made for them has led to a sense of ownership in the process, and good relations between the donor (TGH) and local communities. (See "TGH aid boats - still afloat," page 31).

By contrast, staff at the emergency department of the Zainoel Abidin General Hospital (RSUZA) in Banda Aceh, which is being rehabilitated under a partnership agreement between the AIPRD, Indonesia and Germany, reported a highly successful consultative process, both during the needs assessment process and in project design. The process of reconstructing the hospital's emergency facilities was a collaborative effort between senior hospital staff and AIPRD representatives. "I've very happy with the new department," said the head of the hospital "We designed the layout ourselves, and the new equipment is exactly what we requested."58 Staff will be trained in the use of the more advanced equipment before the new department becomes fully operational early this year.

Social accountability to beneficiaries

One of the most common areas of concern among beneficiaries was lack of information, explanation and ongoing consideration. Many beneficiaries seem to have only a vague idea about what was involved in projects; until and unless the communities actually saw the progress of the project in its physical form, there was often a very low understanding of what exactly the project would deliver, and little awareness of a programme's timeline. The lack of information made people feel helpless, and often made them question whether absent donors and implementers were sincere in their commitments to return to the village at all.

Box  Protecting the KDP/UPP process

When the earthquake and tsunami struck Aceh, the World Bank's KDP programme was already being implemented in 87 of Aceh's 220 rural sub-districts; with additional $68 million funding post-tsunami from the MDTF, it has expanded to all rural areas in Aceh. The KDP's urban counterpart, the Urban Poverty Programme (UPP), already a common feature elsewhere in Indonesia, also was introduced after the tsunami into Aceh's urban areas with a grant of $18 million from the MDTF.

Both the KDP and the UPP are promoted as "community-driven development" (CDD) programmes - the former being one of the largest CDD projects, according to the World Bank, in East Asia.59 The KDP/UPP processes aim to facilitate community-driven development using its network of 1,450 facilitators to initiate village forums to discuss local infrastructure needs and provide channels by which that information then makes its way to the sub-district and district levels. A KDP trainer explains the ethics he tries to instil in the network's sub-district facilitator trainees: "I tell the new recruits that as a KDP facilitator, their job is to hold discussions on the initiatives and priorities of the local villagers. I tell them 'Be careful there is no outside influence in this discussion. You must be sure these priorities really are those of the village as a whole. Actually, their job is very simple: always represent the wishes of the people, always negotiate on the community's behalf, and always be open and honest with them."60 The Chief of the BRR is very much in favour of such programmes: "The mechanisms used by the [World Bank's] rural and urban community recovery projects are strong community-driven platforms. [They] can and will be used by other NGOs and organisations; this is in line with the BRR's principle of using a bottom-up approach. This will greatly enhance an effective reconstruction and rehabilitation process of Aceh and Nias, led by the communities themselves."61

This study, however, found reason to be concerned about the use of the KDP and UPP mechanisms to inform communities of project plans that have been formulated by others with very little or no community discussion, rather than to collect information from the villagers about their community's own priorities and to assist them in conceptualizing and designing their own projects. KDP personnel are trained to facilitate discussion among villages and to communicate their priorities upwards, not act as messengers from donors to the communities. Increasingly, however, the KDP mechanism is being employed as an implementing mechanism, and as a channel of communication from the top down. For example, in relation to the construction of village offices and village halls (meunasah) in the sub-district of Baitussalam, Aceh Besar, the AIPRD has been sending messages down the KDP system about timing and other related issues. Local KDP facilitators explained: "Our role here is really only to pass messages to the people when the Australian representatives tell us to do that. And to be sure that the money that comes to the KDP bank account is spent as it should be, that's all."62 This places KDP facilitators in an awkward position with the local communities, as they are reluctant to reveal the truth about delays and other problems relating to the AIPRD-funded village office programme. "We don't want to talk to the villagers in case there is a further delay, or the programme is not implemented in all villages. To be honest, we [KDP facilitators] don't really know how to tell the people," said one facilitator. "The Australians say they will give us training later this month, perhaps after that we can socialise the idea of village offices in Baitussalam."63 The use of the KDP and UPP as mouthpieces for donors and implementers, rather than for communities, will eventually lead to the community feeling distanced from the KDP/UPP mechanism, and will erode the integrity of the whole KDP/UPP network.
sometimes leading to fiery displays of anger. Furthermore, when external contractors come in, they often fail to demonstrate budgetary transparency, leading locals to suspect that they are skimming off project funds.

"Yes, they built a new office for me. But I don’t know exactly how much that building cost. That’s something for GHD and the Australians, they don’t share that information with people like me."

Mucthar Yacob, camat of Baitussalam, 2 August 2005.

**Box** Feeling abandoned

Inadequate communication can leave communities convinced that implementers have abandoned them. This problem has been particularly acute in relation to housing. Many communities have waited for NGOs such as CARE in Simeulu, Oxfam in Blang Oi, or Samaritan Purse in Aceh Jaya, and other agencies such as the ADB in Lambada Lhok, to return to fulfil earlier commitments to build houses. Not wanting to renege on agreements made, the communities have turned down offers of housing by other donors. In September, the Bupati in Aceh Jaya said that of the 12 MoUs signed with implementers, most remained unfulfilled. His frustration was evident: "We just called Samaritan Purse and told them if they don’t fulfil what they promised, they will no longer have an MoU. I will cancel it. The same for the others who do not respect our desperate needs or the agreement they made with us." he said. "The Turkish government has delivered the houses it said it would, the others - not yet." 

For example, in the AIPRD’s project to construct village offices and meunasah in the sub-district of Baitussalam, lack of information flow described above was taking its toll. When researchers interviewed the head of one village in October, he had been waiting for his AIPRD-funded village office for several months, and was under the impression that construction would begin in November. A follow-up visit in early January 2006 found him losing patience: "I don’t have any more news since you were last here. Nobody has been to tell us the latest update on our village office, and you can see for yourself it has not even begun. No Australians or their representatives ever came to meet us here." The lack of information flow has created a climate of virtual indifference in some villages in Baitussalam; some no longer believe their own village will receive an office as part of this programme - and many, it seems, no longer care: "if they build us an office, ok. If they don’t, what should we do? We have become professionals at the waiting game - but it’s a boring job, and with no pay." 

By contrast, the UNICEF child centre programme implemented with the help of Muhammadiyah on the west coast of Aceh is an example of where the two-way flow of information has led to the implementation of a successful programme. The programme was interactive in the planning stage, and retains a rolling mechanism of evaluation and discussion involving the parents of the children at the centres, the village elders and centre staff. At a two-week staff training course before the centres opened, negotiation, communication, and conflict resolution skills were high on the agenda. Local staff explain: “This programme cannot be implemented without the approval and cooperation of the children’s parents. That’s why we always introduce our ideas to the parents, usually the mothers, in the planning stage. Sometimes they say they don’t agree with this or that - it’s ok, we can adjust everything to suit local conditions.”

**Box** When a job and a livelihood vanishes

Many groups, ranging from the UNDP to Mercy Corps, FAO, IOM and others, have employed thousands in temporary cash-for-work (CFW) schemes to help clean villages and to work on project sites. However, interviews showed that many people who participated in these programmes did not understand their temporary quality; as a consequence, they felt let down by donors who had not made the cash-for-work scheme’s time limitations clear. In Lhok Nga, two groups of women had been preparing their grated coconut business plans for several weeks when the FAO arrived in September and offered a cash-for-work scheme (funded by ECHO) paying $4 per day to clear farm land. Needing money, and not understanding that the FAO scheme was only for several weeks, the women abandoned the discussions with a local NGO about their coconut business in favour of the instant cash. But by October, the cash-for-work scheme had ended, and the women were unemployed with no idea what to do to earn more money. The local NGO coordinator for the area explained: "Now the group wants to have the grated coconut business again, but now we don’t want to help - what if FAO comes back with another cash for work scheme? Everything in Aceh is being distorted by too much money. [But] we can’t blame the local people, they are desperate." She went on to say: "We can blame the international agencies who exploit that desperation, and use local people as cheap labour. They stamp on local initiatives like ours, yet we will always be here - long after they are gone." This is a harsh judgment indeed, but such sentiments are not rare in Aceh, and are a signal of potential problems in the months, even years, ahead. 

**All-inclusive consultation and communication**

In Aceh, processes of decision-making reflect the hierarchical and male-dominated social structure in which the perceived needs and aspirations of the wealthy and powerful are prioritised over the real needs of the broader community. For the most part, it appears that women, the poor, the landless and other marginalised groups have been sidelined in the decision-making processes accompanying the reconstruction effort. Such sidelining by international actors indeed reinforces existing cultural practices, leaving these groups even more marginalised than before. Care must also be taken not to exclude Acehnese who speak no Bahasa Indonesia-often the elderly, or those in mountainous and more remote areas.

In the case of women, for instance, far more active measures must be taken to ensure inclusion. Women have traditionally been marginalised from Acehnese
decison making processes at all levels (see "The Role of Women in Decision-making in Aceh," page 15). Of all the government officials we interviewed - at the village, sub-district, district and department level - we encountered only three women in management positions, all in department administrations, and none in village or sub-district roles. The poor level of women's representation in local government in Aceh is reflected in women's exclusion from traditional community decision-making. Furthermore, in many tsunami-affected areas, not only are the majority of survivors men, but the majority of early returnees to villages where camps have been set up are also men; the women live further away in barracks, or with family and friends. Since the community meetings are often ad-hoc, the women simply "miss out" on the opportunity to participate. Even where donors and agencies have encouraged women's participation in meetings, all too frequently in actuality their role is limited to that of passive observers, with little effort made to draw them into the discussion. Given the cultural and interest-based resistance to all-inclusive consultation and decision-making, donors and implementers need to assert policies and pre-conditions to actively include women and other marginalised groups presence and participation in the these processes.

For example, speaking about the governance project which includes the construction of village halls in Baitussalam, the AIPRD's senior public affairs officer emphasised the AIPRD's overall commitment to engagement with communities through consultation with village and sub-district heads. Asked about efforts by AIPRD to include women, however, her answer was: “In terms of including women in the consultation process, as far as I know, we do not exclude women, but have...”

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Box Communications pitfalls

Some donors and implementing agencies have tried to simplify the consultation and communication process by relying on local NGOs or community committees to disseminate information in communities. This study’s findings suggest, however, that such a strategy is usually ineffective on its own; rather, these methods should be used in tandem with direct communication and discussion between the donors and the beneficiaries. For example, a housing project run by the ECHO-funded German Agro Action (GAA) in Matang Bangka, Jeunib, ran into delays and changes of plan that were themselves of concern to villagers, but of greater concern was GAA’s lack of direct communication with the local people. The situation became so hostile that it undermined the entire project for several months. A local committee, the BRRD (village rehfabilitation and reconstruction agency) had been established to represent the community in regular meetings with GAA and its local NGO partners. While GAA had initially encouraged villagers to attend these meetings, after only four meetings GAA adopted a closed-door policy, with villagers no longer invited. The situation further soured after villagers discovered that despite previous promises, local people would not necessarily be the ones employed to build the houses, and that materials would not necessarily be sourced locally. As the information of this week turned into the misinformation of the next and still no houses had been built, the local community became distrustful of GAA, and saw the local partner, Fosoma, as no longer representing their interests. The channelling of information through the BRRD and the local NGO simply bred suspicion and anger among locals; members of BRRD were ostracised by other villagers. Tensions escalated, and during a chance meeting with GAA staff in December, some villagers expressed frustration at the lack of information coming directly from GAA, and lack of implementation. In response, GAA staff said: “If you keep complaining, we will pull out of the village and cancel the housing. Would you prefer that?” A villager explained: “GAA said they would build houses in October, then November, now it is December - do you see a house? No!” After several months of miscommunication, the problem was finally resolved, but only after GAA staff finally made several site visits to speak to the villagers directly. However, the legacy of animosity and distrust lingers, and will take some time to repair.

The use of community committees as bridges between communities and donors can also put these groups in awkward situations when communication gaps occur. For example, in the same project, GAA asked members of the BRRD to find information on costs and availability of local supply of materials. Thinking that GAA would definitely purchase from local business, members of BRRD approached suppliers and negotiated cost and timing of supply. When GAA then said they would bring supplies in from elsewhere, those local BRRD members were very embarrassed in front of the local businesses, and angry with GAA.

Meanwhile, agencies must ensure that people purporting to speak on behalf of potential beneficiaries or engaging in facilitation have the social standing and moral authority to do so. Many agencies doing assessments in tsunami villages had no personal introduction to the village, did not do any background checks on who they were speaking to, and whether those people had any mandate to speak on behalf of villages in terms of priority needs. Many village heads are not living in the villages, many were appointed post-tsunami, have no experience of being in this position, and as they have no village facilities they are not available on demand when agencies arrive. Others in the villages, who are vocal and confident, often appoint themselves to speak on behalf of others. On the whole, agencies accept this without attempting to clarify with formal and informal village leaders, male and female representatives, those living back in villages and those still with families or other camps/barracks outside the area.

Finally, miscommunication occurs due to language barriers. Many people in the more remote and mountainous areas, especially the elderly, only speak the local Acehnese language. Khairuni feels frustrated with GAA over the many delays and problems associated with the housing programmes in her village. Living in a makeshift hut, she explains why she has never voiced her frustrations to GAA: “I can’t complain to GAA, I don’t speak Bahasa Indonesia.”

...
The Role of Women in Decision-Making in Aceh

Whether it be an issue that has come from the head of the sub-district or above, or an issue of local village politics, one thing is certain: in Aceh, the meetings that make these community decisions are, almost without exception, attended exclusively by men. If a decision on a particular issue is required by local government structures, the village head will usually call for a village meeting. Men from each house are invited, often at night, to meet in the meunasah. Women are rarely invited to these ‘important events,’ even if they are the head of a household; they are informed later of the decision by their father, husband, brother or through the village network. For internal village issues, informal meetings often take place in the warung kopi (local coffee shop), which in Aceh is viewed as a man’s ‘second home.’ Women simply do not go to the warung kopi. Matters resolved in the warung will be socialised to women when the men return home, or a decision might be made to hold a more formal meeting - usually after evening prayers, which again are almost always attended solely by men. Even the annual village meeting is normally a wholly male event. The exception is in tsunami-affected areas, where sometimes, but not often enough, an international agency insists on a quota or on a policy of positive discrimination for meetings, workshops, and employing facilitators.

no special policy to include women. We do realise that the village heads and sub-district heads are, of course, all men.”47 Meanwhile, in order to reach a broad audience, the World Bank and its partners began in September to distribute a bi-weekly tsunami update newsletter that is distributed with Aceh’s main newspaper, Serambi. But this only goes some way toward getting around the problem of how women and other marginalised groups access information: free copies are distributed to IDP camps and barracks, but even these copies are more commonly found with men than with women. Moreover, a male resident in an IDP camp complained: “Everything that is delivered here, even Serambi, is taken by the committee and distributed to their friends.” More generally, communal copies of Serambi are found in many warung kopi, but these coffee shops are the exclusive domain of men.

By contrast, the MDTF’s Settlement Rehabilitation and Reconstruction project to build housing, which entered its pilot phase in December, stipulates that women be involved in the community housing committees that are established by beneficiaries to take responsibility for finance, planning, construction and accounting. For women in Aceh, this is an unusual role, and so many are working hard to meet competing demands: “I’m the secretary of [our community’s] committee, so I have to struggle to meet my commitments to the group and to my family at the same time,” said one woman. “But it’s interesting, and I feel important in this process. I’m very happy to be involved.”48

In addition to the issue of consultation, women have been largely marginalised in their access to employment opportunities arising from the rehabilitation process. Traditionally, there has been clear employment segregation between men and women in Aceh, with the workplace of many women being the home and family. After the tsunami, many more women, forced by economic necessity, registered for employment in the International Labor Organization (ILO) sponsored employment offices that have been established in several locations in Aceh. The typical sectors in which they are seeking work are weaving, cooking, making clothes, midwifery, nursing, and teaching.49 Donors are also addressing livelihood issues for women, but a worrying trend has begun to emerge: almost all livelihood assistance available for women in Aceh is in home industries, for small trader activities such as cake making, sewing, drying fish etc. Low level assistance such as this is in danger of preserving women’s pre-tsunami position in Aceh in ‘poverty livelihoods,’ which are located in the informal economy, are insecure economic activities, and have low status and low pay. There is very little livelihood intervention for women that gives them assistance to enter longer-term courses for new and, in the words of one Acehnese woman, “more exciting” job opportunities. Similarly, the imminent construction boom will provide employment opportunities, but already huge disparities are evident between the opportunities for men and women, with the result that female-headed households will remain disadvantaged.

Disconnects between priorities

Areas identified by donors as priorities may not always match the immediate needs of tsunami victims. While priorities imposed from the top-down are sometimes inevitable, their rationale is not always immediately clear to locals, and we found that sometimes they can also create public relations problems. These could be overcome by better coordination among donors and implementers to make sure that local needs are being met at the same time that longer-term projects are being carried out.

For example, AIPRD - which does not engage in housing projects - is engaged in the Ulee Lheue port project in an area where there are some specific housing needs. There is no doubt that this project is of vital importance to the reconstruction effort. At the same time, many of those who live in the area lost their land to the sea, and remained in tents for twelve months. It was only in December, when President Susilo Bambang Yudhoyono was due to visit, that tents were dismantled and barracks hastily erected to give the impression of progress. A site visit one day prior to the President’s visit found these hastily erected barracks to be unstable and not durable; the people’s longer term future remains uncertain. Local people complain there was no written or oral announcement of the port project, and feel they have only observer status as they sit outside their tents watching as UN vehicles pass back and forward. In such an environment, the port reconstruction project is viewed with resentment by many, including local officials. “Although the port is important, the most important priorities for people who live here are houses, livelihood recovery, and jobs,” said a sub-village head.50

By contrast, some agencies have adopted a more holistic approach. For example, in West Aceh, the Salvation Army has been implementing a programme whereby basic needs such as food, water and temporary shelter were secured before community consultation over supplying village infrastructure began.
Box  Land disputes

Ensuring land rights for survivors will be a key factor in the longer term sustainability of the rebuilding of Aceh's physical, economic and social infrastructure, as well as in an enduring peace. During the years of conflict, a pattern of land-grabbing emerged, often involving the military, who were employed by individuals and companies to seize land to be logged, for plantations, or other sources of economic gain. Rumours are already rife in Aceh that villagers will lose their land to corrupt government officials, and that government and international aid agencies will use private land for large infrastructure projects. Many in fact suspected that the government's early stipulation that no building could take place within a 2 kilometre strip of the coast, reportedly proposed for safety reasons, was in fact just a way for the government to seize potentially valuable coastal land.

Compensation for land taken for new infrastructure projects is already emerging as a vexed issue. For instance, local villagers have been seeking compensation for the land crossed by USAID's $245 million 'new improved' reconstruction of the road connecting Banda Aceh and Meulaboh. When the villagers approached BRR for compensation, they were told by the agency's chief, Kuntoro, that compensation is a matter for the road contractor. Former acting governor of Aceh, Azwar Abubakar, said money had been set aside by the local authorities for compensation payments; but the policy for disbursement remains unclear.

In such an environment, donors must be sensitive to potential or ongoing land disputes. For instance, the AIPRD is involved in the rehabilitation of the major port of Ulee Lheue, which the tsunami left cut off from Aceh's mainland. The port is however, the subject of an ongoing legal battle. The issue revolves around a 3 hectare plot of land which seven members of the original land owner, the T. Poecot Oemar Keumangan family, say they inherited, and which they claim was taken without permission by the local government in 2001 to build the port. In 2001, without prior consultation with local people, the local government began to build a port in the Ulee Lheue area; compensation was mistakenly paid to some people living on the land, who the local authorities assumed were the owners. The rightful owners had no land certificate, but local people accepted the family's claim to ownership. In November 2001 the plaintiffs filed a compensation case in the Banda Aceh district court, which they later won. The government appealed to the Aceh High Court; the court's decision was that it could not rule on the case because the building had not begun, yet during the previous hearing at the District Court it was acknowledged that construction had taken place. The case has now moved to the Supreme Court in Jakarta and is currently awaiting a hearing. When asked about the ongoing land dispute, a representative of the UNDP, AIPRD's implementing partner for the port project, said: "I don't know about the land dispute, but if there is one, it's not our business. That is an issue for the local authorities." AusAID and AIPRD representatives say that their consultations with local people revealed no land disputes: "All AusAID programme are community driven. We always have broad consultations with local people, and do extensive land checks. In the case of Ulee Lheue port, we have documents signed by local people giving the status of the land there." But the AusAID official was unable to prove that such documents exist, and local community leaders disagree strongly with this statement: "We have never signed, or been asked to sign by the Australians, any documents about land in this area."

Cash-for-work schemes instigated by many donors and implementers treating local people and local structures as helpless observers of the reconstruction process - despite pleas for inclusion by local government officials, academics, religious leaders, village hierarchy, civil society groups and others - has not only undermined morale, distorted social priorities, but has also had the side-effect of undercutting existing social mechanisms for mobilising community labour.

Once it did begin, the process moved relatively quickly. On the anniversary of the tsunami, 500 houses were handed over to local communities in Suak Ribe and Suak Sigadeng, Meulaboh. Public health clinics have also been supplied, and a women's and children's community centre. The Bupati of West Aceh praised the project: "They [the Salvation Army] always coordinate with us, and the result is a very successful programme of village rehabilitation." Similarly, CARE International's ambitious Beudoh (Recovery) project in Simeulu, Banda Aceh and Aceh Besar, fuelled in part by ECHO and Australian funds, takes an integrated approach towards shelter, water and sanitation, health, livelihood, recovery and risk management programmes.

Where such well-thought out rehabilitation strategies are in place, the Acehnese spirit of self-help could also play a vital role. Acehnese communities are not unfamiliar with rallying after natural disasters. In many places in the province, for instance, the annual wet season brings an almost inevitable displacement of people, loss of property and livelihood, and even death due to floods and mudslides; in the absence of government assistance, communities have historically responded to these disasters, and to the effects of conflict, in cooperative fashions. But some ill-conceived and badly implemented cash-based interventions have, according to some community leaders, eroded this cultural norm. Furthermore, the tendency, already noted above, of all too many donors and implementers treating local people and local structures as helpless observers of the reconstruction process has had mixed impact. Such schemes have been used widely during the emergency phase and in order to help speed up the process of clearing debris; many agencies continue to offer cash-for-work for reconstruction projects. Many argue that such schemes decrease dependency on handouts, restore dignity to participants by leaving them free to set their own priorities and to spend the money as they wish, and can help to stimulate a market recovery as money is spent prior and to spend the money as they wish, and can help to stimulate a market recovery as money is spent...
heads, fear that CFW schemes are having a negative impact on the traditional system of *gotong royong*, a system whereby members of a community do unpaid work for the communal good. In response to growing concern, the UNDP and the local Syiah Kuala University initiated a study to look at the impact of these cash-for-work schemes on such customary practices. The UNDP insists that preliminary results show that "cash-for-work schemes have not had any negative impact on the local *gotong royong* system." But the head of Lampineung village disagrees. "Cash for work schemes are like a poison. They have destroyed the traditional system of *gotong royong* here. A week ago, the camat sent a letter asking the community to tidy up the village before 17 August [Indonesia’s independence day] - to clear the local canal, the road, etc. But the community refused, saying 'no pay, no work.' It was never like this before." Some UNDP officials also are sceptical of the results of the study so far, admitting that they recognise "possible negative consequences of all the cash for work schemes, and I include the UNDPs schemes in that." The challenge for donors and implementers thus is how to design and implement programmes that draw on and strengthen existing social mechanisms for mobilizing community labour, rather than undercutting them.

**Box Where resentment imposes costs**

"Why would we report to the military or police that construction materials from the port was missing? It is very likely they themselves were involved in the mysterious disappearances."

Senior UNDP official, Banda Aceh, 27 October 2005.

The lack of a sense of ownership that comes with inadequately integrated projects can be costly to donors. In the case of the Ulee Lheue port reconstruction project, material has been disappearing from the construction site, ranging from easily portable items to heavier pieces of iron to the project’s BEAM (moveable bridge). The BEAM alone was worth $10,000. While the local population - most of whom are living in tents, and few of whom were employed by the project - may have been responsible for the theft of lighter items, several interviewees suggested that the military or police had taken the heavier goods. One eyewitness explained: "The TNI from the military post in Ketapang [Banda Aceh] took the material, and until now store it at their barracks there. How do I know? I followed the TNI when they stole the stuff. If you want to see it, go to the military barracks in Jalan Fatahilla. There is a container with iron and other stuff from the port beside it." A visit to the military barracks confirmed this to be the case. Asked why they had not reported the theft to UNDP (the project implementer), some commented that if the port had offered more employment to the local community, not only would the people not have stolen the material themselves, but they might have felt inclined to report the theft by the security forces. A representative of the UNDP admitted: "We [UNDP] made a mistake by not putting security in place earlier, but there is security now." There was however, no acknowledgement from UNDP that consultation with local communities was necessary: "It’s a port, not a house, so no need for consultation."
With partial funding ($670,000) from ECHO, UNICEF has established 21 child centres in Aceh. These centres organise play groups, give psychosocial support to children suffering from trauma, address issues of child abuse, and play an important role in protecting the children from trafficking. They also act as tracing centres working to reunite children with parents, relatives or friends. There are three centres located in several villages in the sub-districts of Samatiga and Kaway XVI that cater for 2,243 children.

These centres and related programmes are well planned, have been implemented in an inclusive and transparent manner, and show positive results not only for the children, but for the family and the community more generally. As part of the project, UNICEF has collaborated with staff and volunteers from Muhammadiyah, the second largest Islamic organisation in Indonesia. Volunteers attend a two-week training course that covers how to register children for tracing purposes; how to conduct therapeutic activities for children; how to recognise children who might need specific psychosocial care, or those who might be subject to abuse; and how to ensure the programmes matched the needs of the local people by holding regular consultations with parents or guardians, and by actively encouraging family members to become involved in the day-to-day running of the centres. Activities include painting and drawing, active games, reading the Qu'ran, learning about computers, environmental awareness, revisiting areas of trauma including the beach, paddling in the sea and many others designed in a developmental way.

Nurhayati has two young children and lives in a tent in Reusak village. Since her husband was lost in the tsunami, her youngest child has been showing signs of trauma. But playing with other kids at the Muhammadiyah-run child centre, and participating in the other activities on offer, her son has begun to show improvements. Staff watch for signs of trauma and have been trained in how to address this. Staff report that the number of children including images of the tsunami, dead bodies and destroyed buildings in their drawings has decreased; a sure sign that their psychological state is improving. Nurhayati and other mothers in Reusak have also been taught how to deal with trauma among the children and others, so the community at large exudes a more positive perspective on their situation, despite the fact they still live in tents.

"Before my youngest child joined the child centre, he used to cry and ask about his father who was lost in the tsunami every night. But now, after several months, I can see the development - he doesn't cry so much." Nurhayati, Reusak village, 27 December 2005.
Social impact

Inequalities and the potential for conflict in post-tsunami Aceh

In the post-tsunami environment, inequalities have opened up between Aceh’s regions, and among tsunami victims themselves. Such issues have the potential to stir up conflict, as well as to undermine the ability of communities to pull together in the reconstruction effort. These inequalities emerge between:

Regions

For example, farmers in tsunami-affected areas in the west of Aceh have received less help than tsunami-affected communities along the east coast: by December 2005, 70% of affected farmers in the east, but only 20% in the west, had received assistance.

Tsunami-affected and non-tsunami-affected areas

The coastal areas of Aceh destroyed by the earthquake and tsunami are not the only parts of Aceh that are poor; many conflict-affected communities are also impoverished. For example, the village of Cot Keueng in Aceh Besar, located less than 8 km from the devastated area of Baitussalam, escaped the impact of the earthquake and tsunami, but was for many years a target for military reprisals due to its reputation as a GAM area. As a consequence, the village’s infrastructure is in shambles; houses are derelict, transportation is poor and only the former village secretary has a telephone. Meanwhile, only a few kilometres away, the road is busy with UN vehicles and other jeeps from international agencies ferrying goods, services and people to implement housing, water/sanitation, livelihood and other tsunami reconstruction programmes. Only one, (unnamed) NGO has stopped at Cot Keueng to collect data, but never came back. Some people in Cot Keueng resent the fact that the aid is bypassing them: “We are very poor, most of us are farmers and vegetable sellers... Yes, many people are disappointed no NGO visits here to help our situation. But what can we do about that? Many men, including the head of village, are working in the construction sites in Banda Aceh. That has caused some bad feeling; the head of village should stay here to try to get us assistance, but instead he is helping himself in Banda Aceh.”

There is some internal migration within Aceh now, as some people, displaced because of the conflict, want to return to their original villages where tsunami assistance might be available. One such case took place in mid-December, some 4,500 people displaced to Bireun and Pidie from the conflict districts of Bener Meriah and Central Aceh by militia attacks in 2001 began the journey home after hearing rumours that assistance was available. Many turned back after several days when they heard that there was in fact no help for them at their destination. “We heard rumours that there were many foreigners who would build houses for us, with good medical care and schools for the children, so we decided to return home,” said one. “But then on the road we met people who told us there were no foreigners in Central Aceh, that we would be better to stay in Bireun, so some of us turned back. The others have continued; I haven’t heard news of them.” In fact, almost 1,000 are now camped close to their original villages and are negotiating the terms of their return with local communities, many of whose members fear the additional drain on their scarce resources.

Box Inflation and inequality

The influx of international aid workers and issues around supply and distribution have caused housing, food, transport and other costs in Aceh to soar. These factors, combined with the March and October increases in fuel prices nationally, resulted in a December year on year inflation rate in Aceh of around 23%.

Houses that would have been rented for $800 a year before the tsunami are now fetching $15,000 a year, with some of the bigger donors and implementers paying $30,000 or more a year for larger houses. Even with a job, most local people on local salaries cannot afford to rent a house.

“I have a job, but my monthly salary is only Rp 3 million ($323). My house was damaged during the tsunami, but I can’t afford to repair it. I can’t afford to rent a house for my wife and children to live in, so we must be apart until I can save money to repair my old house - about Rp 15 million ($1,615), I think. My wife went to live with family in Medan, and I rent a small room here in Banda Aceh.”

Firdaus, Banda Aceh, interviewed 1 September 2005.

Gaps have also emerged between those who have benefited from international schemes and those who have not. For instance, many of the study’s interviewees complained that cash-for-work programmes benefited only a small cluster of people, leaving behind others who did not have the contacts or skills to gain favour with the donors. For example, an analysis of the Mercy Corps cash-for-work intervention that ran from January to July 2005 and involved 10,905 workers in four areas found that 68% of households had multiple involvement in the scheme; meanwhile, nearly a third of households in the local area missed out completely. The same study also showed that the average monthly income of the households involved was Rp 2,910,600 ($314) - much greater than the pre-tsunami average family income in Aceh.

Those who fled the tsunami-affected regions during the years of conflict and those who remained

Tensions are sometimes emerging between people who fled the tsunami-affected area during the years of conflict but who are now returning to try to take advantage of assistance programmes. Many of those who remained in areas badly affected by the war lived for years in fear and abject poverty; they resent the perceived “fickleness” and lack of loyalty of returnees. There are many such cases. For example, a family who fled five years ago from Kembang Tanjung, Pidie to Banda Aceh to escape the conflict, has returned to their
village since the tsunami to benefit from the shelter, livelihood and other assistance now available there. Some of the local Kembang Tanjung community are not happy with the family’s return. Discussions with a group of men in the local warung uncovered a measure of discontent: “They are our neighbours and we must help them return to their home. But where were they when we needed help? They abandoned the community here. And now they come back expecting to benefit - well, it’s our right to ask them ‘will you leave again after you have taken all there is to take? If so, leave now.”

Problems also emerge when people return temporarily after an even longer absence in Jakarta or elsewhere simply to claim land inheritance or other benefits. For example, Bachtiar returned to his parent’s village of Blang Oi after eight years in Jakarta. Self-confident and not suffering from the trauma of experiencing the tsunami first hand, Bachtiar “offered” his services to World Vision as the village facilitator to distribute emergency provisions. Funded in part by AusAID, World Vision sought facilitators in all villages where it was distributing emergency aid, at the organisation’s own admission, some of these facilitators may have been unsuitable: “We had no time, and no capacity during the emergency phase to do a selection process, and we know some of our facilitators were bad choices.” In Blang Oi, the local NGO later subcontracted by World Vision to coordinate the aid found that beneficiary signatories on Blang Oi distribution forms were false, and that little aid had actually reached the people. Although no longer acting as a facilitator for World Vision, Bachtiar is now living in barracks, awaiting a house to replace his parents’ house which was lost in the tsunami. Both his parents are dead. He makes no secret of the fact that he plans to rent the house out, and return to Jakarta. Communities who suffered during the tsunami are, quite understandably, resentful of such behaviour.

Those who have gone into camps and those who are displaced within communities
Tsunami victims displaced within communities, for instance living with host families, have often found it hard to obtain assistance. In the early post-tsunami months, many agencies focused their efforts on the camps, where those who had lost everything gathered. This created a substantial burden on host families, who were sometimes sheltering anywhere from 1 to 40 additional people in their homes, yet were largely excluded from the distribution of aid. Most agencies still now refuse to give food and other emergency assistance to those not living in camps or barracks.

The haves and the have-nots
Whether or not correctly, many Acehnese believe that the better-off have benefited more from reconstruction programmes. Entrepreneurs and those with access to resources such as vehicles, houses and shops to rent out have done well, as have the better educated and those with foreign language skills. Meanwhile, it would appear that the poor, women and other marginalised groups have come off worse.

All of these divisions have the potential to serve as the fault lines along which future conflict may emerge.

Social jealousy has also emerged between different groups of beneficiaries due to discrepancies in the types of assistance provided to different communities or within single communities. Three major areas of sensitivity are:

Land
The process of re-establishing land ownership in Aceh faces formidable challenges; but processes that put communities in the driving seat appear to be doing a good job of warding off potential conflict. The tsunami changed the physical landscape of many towns and villages in the province. Substantial tracts of land were swept away or lie submerged by sea or fresh water. In some places, the landscape has changed so much that land boundaries are no longer recognisable. These problems are compounded by the question of land rights. In Aceh, land rights have traditionally been based on statutory land titles or customary (adat) rights. The majority of people simply claimed ownership to the land they lived and worked on by customary law, and so had no title documents. The few land certificates that did exist in the tsunami affected areas were lost or damaged. The underpinning authority for land ownership now rests on the witnessing by surviving members of the community, local village heads, and community leaders.

In order to divert any potential conflict over land ownership, and to press ahead with shelter programmes without waiting for the BPN (the National Land Agency) to register land ownership, communities began to map their land according to village processes, involving owners and neighbours, to use witnesses and survivors to determine land ownership. This process was in itself a conflict resolution exercise. Many NGOs worked with local communities to help residents map their villages, with details of who lived where, and who owned what piece of land. Approved by neighbours, other community members, and finally by the head of the village, these community land mapping exercises were deemed sufficient by some implementing agencies to begin to unroll temporary housing programmes. In areas where much of the population was lost in the tsunami, and no human archive exists, the process has been slower; however, it does appear to be progressing with little conflict among communities.

This community mapping exercise is an important starting point in registering land, but is not standardised; further adjudication by BPN is necessary to legalise this process. In June 2005, a Community Driven Adjudication (CDA) manual was drafted by the Multi Donor Trust Fund, in conjunction with several NGOs, Acehnese civil society groups and others. The manual states that a bottom-up, community-driven adjudication system should be used to identify land titles, following which BPN adjudication teams will complete the process of legally establishing land titles. A decree was subsequently issued by the BPN giving the manual legal status; it is now the standard for land mapping in Aceh. Under this standard, land ownership for women and other vulnerable groups remains protected by the 1960 agrarian law (Undang-Undang Pokok Agraria-UUPA), which states that women and men have equal rights to land ownership. By far the most significant support for land mapping has come from the MDTF’s ‘Reconstruction of Aceh’s Land Administration System’ (RALAS) programme. After a three-month bureaucratic delay, the project has brought together the efforts of the NGOs, donors, the UPP and KDP mechanisms under a
common set of processes that will allow community land mapping to meet the requirements of the BPN, the only body with the legal authority to issue land titles. The Trust Fund believes this programme, which is piloted in Banda Aceh and Aceh Besar, is "the underpinning corner-stone on which communities will rebuild."108

Interviews conducted in October in several villages in Aceh Besar and Banda Aceh show the land mapping exercise is well underway. Village secretaries and heads of villages report that the witness system seems to be working efficiently, and that they find the BPN system somewhat under-resourced and a little slow, but very supportive. BRR, UNDP, UN-Habitat, and RALAS have collaborated to issue thousands of leaflets informing people of their rights and also of the government's obligations to provide everyone with adequate shelter. The leaflet also contains a form that, once completed by the beneficiary and given a signature of approval by local officials, serves as a temporary proof of ownership certificate. The aim is to help people secure proof of land ownership, which removes one of the main obstacles to building a new house. This leaflet is a very positive initiative in disseminating information and engendering a self-help approach. However, awareness of who and what is behind the RALAS programme remains lacking; an issue that should be more comprehensively addressed by the Trust Fund and others.

**Housing**

The size and quality (and also the cost) of the house a beneficiary receives varies significantly depending on the provider. Most houses are Type 36 (36 metres square) and cost between Rp 32 million ($3,436) and Rp 50 million ($5,370). Some, however, are much larger and can cost as much as Rp 100 million ($10,740) or more. For example, CRS is providing Type 45 houses (45 square metres) in some project areas; meanwhile GAA plans to build Type 45 in Simeulu and Type 42 (42 square metres) in Jeunib. Not only does the size of house between villages differ, but without a "one provider, one village* policy, the size of houses in one village can also vary. Depending on the materials used, the different quality of houses built in one village can also exacerbate tensions. Furthermore, many houses are still being constructed without basic amenities such as running water and sanitation facilities. The level of public infrastructure varies from community to community, as some NGOs and agencies build only the physical structure of the house, while others repair access roads, repair or build schools and clinics, and provide other amenities.99 In cases where such sharp discrepancies exist in close proximity, within or between communities, social jealousy and conflict are likely to ensue.

In an attempt to avoid such problems between villages, GAA has told local people that the houses they are building in Jeunib are Type 36+, similar to those in neighbouring communities. The '+' is for the bathroom that is included, which in fact brings the size of the house to Type 42.

A second issue is that of housing for the landless and ex-renters. The land in some tsunami-affected areas - such as in the Ulee Lheue area of Banda Aceh and many areas of the west coast - has literally disappeared or is severely flooded. These communities are still in tents, with no information forthcoming on rehousing plans. Furthermore, many whose homes were rented do not qualify for a new home. There is no common policy throughout Aceh to deal with this problem; some agencies, such as the Jesuit Refugee Service (JRS), are trying to secure land to give houses to the landless, but most have not addressed the issue.

To resolve the issue of landlessness, many district governments are planning to purchase land elsewhere to build low cost housing. For example, for those in Ulee Lheue the municipal government has bought land in several locations in Banda Aceh and will build houses there for people who are willing to relocate. A local senior government official said: "The people at Ulee Lheue might be offered flats to rent at a subsidised rate. We might even decide to offer the flats rent free for the first few years."109 But some residents do not want to be forced to leave the areas they are familiar with, a local community leader in Ulee Lheue said: "Perhaps some people will want to be relocated. But we shouldn't be forced to move away from here. The government should offer us the choice."110 In Aceh Jaya, land has already been identified in three sub-districts for a similar initiative, but the local *Bupati* is still unsure when the process of resettlement will begin: budgets have not yet been disbursed, so implementation is slow. It will be necessary to engage in consultation not only with those being resettled, but with those into whose areas those resettled will move, to ensure the solution to one problem does not in fact become a problem in itself.

**Grants versus microcredit**

Aceh's economy, which included substantial small business and informal economic activity components, was dealt a massive blow by the events of 26 December 2004. To address this, several livelihood intervention strategies have been put in place in a bid to alleviate poverty and to kick-start the local economy, generating income and promoting employment. These include small grant schemes, soft loans, microfinance, and preliminary discussions about bank guarantee schemes for larger businesses. However, not all these models are appropriate to all areas of Aceh. Indeed, it has been suggested by some concerned NGOs that in a post-emergency situation, non-cash alternatives such as tools for work, infrastructure improvements, training etc. are often more appropriate. And indeed, unless agency and partner organisation staff are properly trained and ongoing support is given, interventions such as loans can result in beneficiaries spending more time managing the debt than securing a sustainable livelihood. However, these programs have also led to social jealousy. The diversity of interventions has led to a situation where some communities or individuals receive grants, while other receive loans, some temporary employment - and others receive very little or nothing. Unsurprisingly, many local people favour grants and cannot see the benefits of loans. Unfamiliar with the broader benefits of revolving credit schemes and other forms of credit, and in the absence of agency staff capable of explaining, some communities have a zero-sum view: no requirement to repay is good, required repayment is bad. This is the case in some of the areas where Mercy Corps is implementing the ADB-funded micro-enterprise scheme; the first phase disbursed grants, but later some beneficiaries will be
given loans. Within these latter communities many are dissatisfied at the prospect of having to repay a loan. While Mercy Corps, to their credit, has a comprehensive support mechanism in place with substantial expertise on livelihood issues, many staff members appear not to have the social skills required to encourage open and honest dialogue with local communities, who are afraid that if they criticise in any small way, the scheme may be stopped; honest assessment of what beneficiaries actually think and what they want remains elusive in some villages.

“I decided not to get involved with that programme (PAPAN) any more. I didn’t know it was a loan. I’ve never had a loan before. I’m afraid I won’t be able to pay.” Woman in Peunaga Pasi, Meurebo, Interviewed 10 December 2005.

Box  The PAPAN Case

Yayasan PAPAN was given a grant by a European-based funding organisation to conduct a three-pronged programme in five villages in Nagan Raya and Aceh Barat over a period of six months, due to end in January 2006. One of the components was to administer small grants to 250 women. This programme, however, has been problematic. According to PAPAN, the programme was designed and implemented with full consultation of the local communities “after many meetings in each project area.” However, site visits in November and December uncovered a different picture. During discussions with women in four of the five villages, it became clear that there had been no process of consultation between PAPAN or its NGO subcontractor, Yayasan Annisa, and that information flow was extremely poor. Potential beneficiaries of the women’s livelihood programmes spoke of a lack of information, changing schedules and inconsistent promises, as well as of dissatisfaction with the concept of the programmes even if they are eventually implemented. The 250 women beneficiaries were originally told they would receive a Rp 1.5 million ($161.2) grant to start businesses. But faced with rising costs, low staff numbers, and lack of experience, PAPAN changed the programme without consultation into one where women who want to start a business must complete a form listing what business start-up material they need (the maximum value has been adjusted down to Rp1.4 million), and PAPAN will then deliver the goods. By 10 December, the women in all five villages had received nothing, but PAPAN has said they will complete the distribution of material by January. PAPAN is now in a race to distribute start-up materials to a somewhat reluctant set of beneficiaries before the project term expires in January.

In addition, the scheme has been changed from one of grants to a revolving credit scheme, which requires the repayment of the loan. PAPAN clearly does not know how to address the disconnect between the programme it now plans to implement (revolving credit), and the grants being demanded by the beneficiaries. By December, outright hostility to several of the programme’s core components was evident in several villages. In interviews with 20 potential recipients from 4 villages, there was universal opposition to the PAPAN livelihood scheme. Eldiani’s comment is typical of other interviewees: “If PAPAN gives me material, great. If they don’t, great too.” When Rosmiati discovered she would have to repay, she withdrew the form she had submitted requesting Rp 800,000 ($86) to start a vegetable stall; the thought of having such a large debt upset her. Murliana complained: “They haven’t told us over how long we should repay or what’s the mechanism for repayment.” Rather than leave people with a sense of fulfillment, the livelihood components of this project are overwhelmingly disempowering for the local communities. A better approach would have been for PAPAN to have given information about both schemes, and then to engaged in discussion with the women so that they could make an informed choice between grants or revolving credit.

An evident source of the problems here has been PAPAN’s lack of experience in managing grant or loans programmes. PAPAN has struggled to increase its capacity to meet the demands of this and other projects it is engaged in. PAPAN staff have themselves voiced concern that faced with rising costs, low staff numbers, and lack of experience in retrospect, this project, to be implemented in a relatively short period of time, has overstretched an already overburdened capacity.
In February 2005, ECHO gave the Agency for Technical Cooperation and Development (ACTED) $970,658 for 'emergency support to livelihood recovery through fishing boat construction and equipment' for tsunami-affected communities in Nagan Raya and Aceh Barat districts. Several other donors also have contributed to this project, which plans to establish eleven boatyards to make 200 boats for local fishermen. In June 2005, ACTED's website announced that the first 10 boats had been handed over to fishermen in the sub-district of Kuala Tadu, in Nagan Raya, and showed a small group of fishermen standing in a boat on the river, waving. Five months later, not one boat had ever been used for fishing; all remained in the shallow waters of the local river. One of the beneficiaries in Langkak village, explained the problem: "The boats have many structural problems, and are not the usual boats we use here. It would be dangerous to use these boats outside the river." ACTED staff insisted: "We are partners with the local government, and are implementing our boat building programme in consultation with the local Panglima Laot." But the local Panglima Laot tell a quite different story: "The main problem with the programme is that ACTED never coordinates with the local people or with us, the local fishing association. They work alone, very distant from the fishermen."

On 10 December, ACTED again announced that ten boats had been given to communities in Nagan Raya. But these were in fact simply the original ten boats given in June that had, according to the ACTED coordinator in Nagan Raya, been repaired and upgraded. Local fishermen say, however, that the boats are no different to the first time around, and the boats makers confirm that no repairs had been carried out. "I know the fishermen say there are problems with the boats, but we only make the boats as ordered by ACTED," said one boat maker. "No changes or upgrades have been made to the boats since they were originally given in June." Indeed, by December, the boats’ paint was peeling; their engines, which had been sitting in water and not maintained for five months, were in very poor condition, and some were leaking. Several fishermen who received the boats in Langkak and Kuala Tadu said it would take about Rp 4 million ($430) to repair the boat to the required safety standard. Abdul Manaf explained: "We can't go to sea in that boat. The engine is making a strange thumping noise. I don't know what's wrong with it, but I know it's not right." Other beneficiaries complain that the nets given with the boats are the wrong type, and must be replaced by the fishermen themselves. Causing further insult to the fishermen, ACTED insisted the three fishermen who are co-owners of each boat sign an MoU which includes a clause stating "ACTED is no longer responsible for future technical problems, any mistakes in making the boats, or any decay of the boat's quality." Yet ACTED is very well aware that in their current condition, none of the boats can be taken to sea.

An FAO boat-building programme funded by ECHO has created two training workshops for boat makers, one in North Aceh in collaboration with Help Germany, the other in Nagan Raya in collaboration with ACTED. The workshops sought to begin to address the issue of unsafe and low quality boats being made by unskilled boat makers in Aceh, and took place under the guidance of the FAO master boat maker. Even experienced Acehnese boat makers were quite positive about the workshops. "The boat design is quite good," said one participant. "It's not very different to the boats I usually make, but I did learn some tricks that will help the boat last longer, like joining wood together in a new way, and using different nails that will not rust in the sea water." Unfortunately the results of the workshop have not been transferred into the making of the ACTED boats.
Civil society and local government

Building capacity
One of the issues that emerged strongly from this study is the need for capacity-building work at all levels of Acehnese society. Most relief and reconstruction groups are planning to be in Aceh for only three to five years. After that, the responsibility for implementing programmes will be handed over to a local community that currently lacks both technical expertise and, in many cases, a general skills base. Some implementers are indeed engaging in capacity-building activities, but all too often these are narrowly-focused trainings designed simply to build the limited skills for immediate implementation of programmes. There is a need for more training that looks beyond the immediate project horizon to build broader skills. These issues are particularly important in relation to two segments of Acehnese society: local government and local NGOs.

Local government
Aceh’s local government, weakened by years of under-resourcing and suffering the ravages of conflict, was already in poor condition when the tsunami hit. Many government offices had been burned and destroyed during the conflict; government officials often were kidnapped, killed and tortured by Indonesian government security forces who accused them of being sympathetic to GAM and the struggle for independence. As a consequence, in most dinas (local government departments), capacity is low. However, relatively few donors are working to build local government capacity beyond the level required to implement current programmes.

One positive step is the EC’s six-month, €3 million ($3.6 million) Aceh Local Governance Action Programme (ALGAP), which started in October 2005 in all 21 districts and city governments of the province. The programme, implemented by the German Technical Cooperation Agency (GTZ), is designed to strengthen the capacity of local government, in terms both of institutional infrastructure and management of the rehabilitation process, through training and provision of basic equipment. A three-day conference organised by ALGAP brought together 198 government officials and members of the local parliaments in December, which several participants assessed highly: it “gave me many new ideas to consider in my work at BRR, and to share with my other colleagues,” said one attendee. The AIPRD governance programme, of which the building of village offices in Baitussalam is part, also includes capacity-building components for local governance structures at the village and sub-district level, but its implementation is too slow. Nevertheless, such programmes will be vital to the eventual successful handover of many of the projects being implemented across the province.

Local NGOs
As already noted, most local NGOs were severely curtailed in their activities and development during the period of conflict. In the immediate aftermath of the tsunami, however, all sectors of the local NGO community, from humanitarian agencies to the more “radical” political activists, hurried to become involved in the relief effort, handing out emergency provisions or acting as guides or translators for the international agencies. Buoyed by operational and overhead costs provided by donors, many have since moved quickly on to other programmes, such as psychosocial counselling, livelihood and grant disbursements, building houses and schools, and many other types of work. Many of Aceh’s NGOs thus have in effect become implementing agents, even cheap labour, for the international aid community, many of whom have sidelined best practice pre-partnership assessment criteria in their desperation to find an implementer for their programmes. In many cases, however, these local groups have lacked not only the capacity to implement and manage projects, but also the skills to conduct satisfactory financial or narrative reporting. There are many cases of indication of mismanagement and mismanagement. Some of the more egregious examples of mismanagement uncovered in the course of this research involved local NGOs whose capacities were hopelessly overstretched. Training in management skills will be vital not only to the successful and accountable implementation of projects during the reconstruction period, but also to these groups’ ability to find and manage funds in the post-reconstruction future.

Too few organisations have provided training for local NGO partners that extends beyond immediate implementation needs, but most has been couched within the ‘capacity building for recovery’ banner. In the first year of post-tsunami rehabilitation and reconstruction, the intention of donors and agencies to build the capacity of local NGOs for long term purposes has not yet been visible. Even agencies that offered training for some long-term partners failed to offer training for other partners perceived as short-term labour. For example, the International Catholic Migration Commission (ICMC), in its partly-ECHO-funded psychosocial programmes in IDP camps across Aceh, drew on several local NGO implementing partners which had no experience in psychosocial programmes. In ICMC’s own evaluation of the first phase of the programme, one of the main recommendations was that the capacity of local NGO partners should be increased. While some groups received four-day trauma training courses, most received no training and never really figured out what they were there for. “We didn’t do anything much on this programme,” said one local NGO employee. “We organised painting classes, and arranged for others to come to teach the children how to dance. It was only for four months and after that we never went to the groups again.”

This problem has been recognised by some, who are beginning to take measures that will begin to address the issue. For example, the UNDP has conducted an assessment of civil society group needs in Aceh, and has already conducted initial training, is providing some institutional support and is launching a major new programme to increase the capacity of civil society organisations. In addition, a programme for raising the capacity of civil society groups funded by the MDTF will begin in 2006. The objective of this programme is to enhance grass root participation in reconstruction process and to empower local civil society group in Aceh. It remains to be seen what impact such initiatives, and others being planned, will have on the longer term capacities of Aceh’s civil society sector.
**Under-valuing local government, overstretching NGOs**

A divide appears to have opened up in implementers' attitudes towards local government departments and local NGOs. Very few international implementers appear to have assigned significant value to working with local government departments; they have turned to local government departments for damage-related and socio-economic information, but rarely as coordinating partners. Local civil servants are not oblivious to the fact that in many cases they have been, and continue to be, relegated a secondary role.

For example, as part of an FAO programme funded by ECHO, Catholic Relief Services (CRS) and Mercy Corps distributed 11.6 tons of seed rice, purchased from two suppliers in West Aceh and one in South Aceh, to seven local villages. The seed, however, was sub-standard and falsely labelled, something that would easily have been picked up in an inspection by the local Department of Agriculture. "It's a pity that those two NGOs never coordinated with us before distributing the seed," said one official. "Now the farmers will suffer; the crop yield will be only 50% of that from standard seed." Several months later, the problem of levels of coordination had not improved. "The UNFAO is the only aid agency that coordinates with us. But people are very quick to blame government departments when a mistake like this one with the seeds occurs," said the head of Aceh's agriculture department. "Why do they not coordinate with the agriculture authorities if they work in the agricultural sector? If the FAO itself sees the value of coordinating with the local authorities, why then does it not enforce such a policy on its partner organisations?" The coordination problems seem to have become worse in West Aceh; the twice-monthly coordination meetings initiated by the local agriculture department were finally discontinued in late August. The Head of Programmes in the department explains: "There was no point having meetings when the number of NGOs and others attending decreased to such a level that we in the department were more or less talking among ourselves. What many of these agencies are doing is my guess, just as it is yours. I don't know what they are doing." Overlooking local government in this way bodes ill for the future of programmes: if there is no sharing of expertise and skills, the programmes of today will vanish after donors leave and local departments are left to implement their own agenda.

"They can do what they want today, and we will smile and say 'thank you,,'" said a senior official in Aceh Jaya. "But when they leave, we might change the programme to be more relevant to the local people. Let's see." Meanwhile, many implementers have rushed to create partnerships with local NGOs and others without criteria against which to measure the suitability of local partners. "We had no time to do suitability tests during the emergency phase, it was simply a matter of who was available," a representative of Save the Children said. A similar excuse was given by World Vision when asked about the case of Bachtir in Blang Oi, described above. Regarding the lack of local partners, IOM was also defensive, saying that most international agencies faced the same problem: "We all needed local partners in Aceh; it was a bit of a race to secure local groups. The suitability of many of our local partners is quite frankly, much less than we would ideally want, but it's a sellers market." As a consequence, many small groups and organisations have experienced a huge budgetary increase. For example, the budget of Matahari, a local NGO working on women's issues before the tsunami, has increased by almost ten times, from Rp 150 million ($16,700) in 2004 to Rp 1.4 billion ($155,000) for the period from March 2005 to March 2006; around half this amount was to be used by November 2005. Many other groups have seen their budgets rise as much as 20 to 30 times pre-tsunami levels; and most are experiencing management problems. The pressure on groups that lack implementing capacity to rapidly disburse such unexpectedly large sums has led in many cases to waste or misuse of funds. Furthermore, the lure of generous funding has pulled organisations with limited critical capacity to self-evaluate or self-monitor into unfamiliar operating territories; very rarely does a local NGO recognise its own lack of capacity and reject the offer of a contract. "Some local [Aceh based] NGOs have expressed vague concerns at what they were being asked to do, and at the amount of money being thrown at them," said one observer. "Are they really concerned? No, I don't think most of them are." However, when things go wrong, as they clearly often do, it is the beneficiaries who bear the costs.

**Box** When use of the wrong local partner hurts beneficiaries

The problems in ACTED's boat building project in Nagan Raya, some of which arose from a basic lack of consultation, were compounded by the choice of the wrong local partner. Yayasan Indonesia Cerdas (YIC) is a local Nagan Raya organisation established after the tsunami. Despite the fact that the director of this NGO, Ika Suhanas, is a senior official in the fishery department in West Aceh, the boats built by Cerdas were substandard and subsequently rejected by the fishermen. ACTED recognised quite early on that Cerdas were not up to the task at hand: "But it took a few months for us to establish a mechanism to replace Cerdas. And we had to repair the boats they made." The fishermen further refute the claim that repairs were made.

**Local or Indonesian NGOs**

Many implementers found when they arrived that the skills they needed were lacking in Acehnese organisations. Some agencies are taking steps to address this by training staff in skills needed to implement programmes which sometimes include language courses; the ILO is also running several short vocational classes. To help address this local skills shortage in the short-term, many implementers have brought in organisations from elsewhere in Indonesia.

For example, for an ECHO-funded housing project in Matang Bangka, Jeunib, GAA contracted an Indonesian organisation called LPTP to oversee day-to-day management. However, GAA subsequently discovered that many of the local community could only speak the local Acehnese language and that a local community group, recently renamed Fosoma, had been working with the people of Matang Bangka since before the tsunami; Fosoma was also then contracted to assist in implementation of the programme. By all accounts, levels of communication and trust between GAA, LPTP,
Fosoma and the community were initially extremely good. But as the months passed and difficulties mounted, a series of bad decisions by GAA, due in part to LPTP’s lack of local knowledge, have left some Fosoma members disillusioned. “We at Fosoma feel we are used only as a bridge into the community,” said the head of the organisation. “GAA never listen to our suggestions. We realise now that our input is not important; GAA will do exactly what it wants.”

GAA is also seeking an Acehnese or Indonesian NGO from the mainland to implement its housing programme in Simeulu; a measure sure to meet with some resentment on the island.

**Brain drain from the civil service**

International organisations, which pay substantially higher salaries than other areas of employment, inevitably have attracted many of Aceh’s most skilled individuals. While Acehnese who work for international agencies will eventually be returned to the local talent pool when these groups leave, in the short term the brain drain has often severely harmed the performance of local entities, especially local government. Civil servants were badly paid even before the tsunami, which is why many government employees often had two jobs, spending little time at their government offices. Now the stakes are even higher: it is not difficult to understand why a teacher in a state school receiving Rp 650,000 ($70) to 1.8 million ($194) per month, or a rank 2 or 3 civil servant whose salary is around Rp 900,000 ($97) to 1.2 million ($129), can easily be lured away by INGO salaries of Rp 3 to 10 million ($323 to $1,077) a month plus other benefits. Some civil servants in fact have been living a double life, filling a civil service slot while actually working full-time for an international employer—a fact of which some INGOs are aware, but turn a blind eye. Such practices can reduce local government entities to ghost towns, bringing their operations to an effective halt. In West Aceh, the situation indeed became so bad that the local government warned staff to resign from their second INGO jobs by 30 August or face disciplinary action. In contrast, in recognition of KKN pitfalls, the MDTF has established strict measures designed to encourage self-policing by communities.

**Corruption, collusion and nepotism (KKN)**

Corruption, collusion and nepotism (KKN) are widely present in Aceh, including in the reconstruction environment. Stories of nepotism by local officials and lack of accountability breed suspicion that everyone involved in executing projects is creaming off at least a little for themselves. Local anti-corruption NGOs such as SORAK and GERAK have amassed a substantial body of evidence showing that the military has siphoned off aid and is involved in supplying timber and other materials for reconstruction, and that local government officials are also benefiting.

As noted above, most donors and implementers have strict anti-corruption policies on paper, and the question of how to identify and deal with KKN is commonly discussed among operations staff in Aceh. However, many agencies appear unable to recognise the presence of KKN in their own projects. For example, research by FAO and Panglima Laot suggests that KKN has been rife in the provision of boats, leading to an excess in supply. Family and friends of local facilitators tasked with providing data on beneficiaries, or those who are friends of the head of village, have been found to claim boats for which they do not qualify. Some people in fact have ended up with more boats than they had before; for example, fishermen who previously shared a boat among two or three people now register for one boat each—excluding in some villages supplied by FAO. The secretary of Panglima Laot says: “Actually, some of those who received boats were not even fishermen, and immediately sold the boat or engine.”

*There are two reasons that have caused an over-supply of boats in Aceh: the donors desire to spend the money quickly and the greed and nepotism of many local people.*

Adli Abdullah, Panglima Laot, 8 November 2005.

Even when international agencies’ suspicions are aroused, many are unable or unwilling to investigate further, particularly given the frustrations of implementing projects on the ground. “Petty corruption is present in most projects in Aceh, but quite frankly, we don’t have time to do anything about it,” said one staffer candidly. For example, Oxfam bought 47 cubic metres of wood to be transported to Calang in West Aceh, but ran into problems when they tried to transport 20 cubic metres of the wood without the required SKSHH certificate which gives permission for legally felled timber to be transported. The first batch of wood was finally transported, but the process required several frustrating weeks of negotiations. When the time came to transport the remaining wood, not wishing to repeat the delays experienced by the first consignment, Oxfam paid the ‘fee’ of Rp 5 million ($538) requested by the forestry department to issue the SKSHH certificate.

According to a member of Oxfam staff who preferred not to be identified, the NGO was aware that the certificate should be issued free of charge: “Yes, we knew at the time that we were paying a bribe. Not only that, we also knew that there was a very high chance the Department of Forestry would not know whether or not the wood came from a legal source. We just wanted the certificate.” Having waited one month for the certificate, Oxfam has since requested (and received) the Rp 5 million back from the department. But the problem of transporting the wood remained unsolved due to the absence of the necessary SKSHH certificate.

By contrast, in recognition of KKN pitfalls, the MDTF housing programme has established strict measures designed to encourage self-policing by communities. Any case of corruption or mismanagement of funds in a housing committee is subject to immediate sanction by the village Board of Trustees, with the ultimate sanction being that no further funds will be disbursed to the entire village until the matter is cleared up. The pressure not to jeopardise the village’s programme should, says the MDTF, prove a strong disincentive to diversion of funds.
Many sub-national government entities that do not ordinarily administer aid programmes responded extremely generously after the tsunami. These bodies have sometimes chosen to channel their funds through national level development assistance schemes, but also have sometimes chosen to go it alone. Such an approach, however, has sometimes proved risky, as donors lack the capacity to monitor and evaluate the results of their assistance.

For example, the Queensland government and the IOM have been working together since April 2005 to provide temporary housing for civil servants in Aceh. IOM in April signed an MoU with the local government in Banda Aceh to provide 11,000 temporary shelters, 1000 of which, at the request of the governor of Aceh, were to be allocated to local government employees. Meanwhile, the Queensland government announced that it had committed A$3 million ($2,247 million) towards a project to construct 770 temporary houses for civil servants in Aceh. The spin-off benefit was to be employment for around 500 local tsunami victims. The Queensland government contracted IOM to provide the molded concrete Type 36 units. According to the agreement, IOM was to be responsible for the provision of amenities such as electricity and water, which would be supplied with the completed houses. (The Queensland government media release announcing the project said “The wooden-framed, 36 square-metre homes have water and power.”) The Queensland government also believed that IOM would design the houses in consultation with communities.

The project, however, has not lived up to the Queensland government’s expectations. First, despite promises by both parties that locals would make up the bulk of labourers on the project, in fact IOM’s contractors typically brought in workers from elsewhere. For example, PT Alhas Jaya, a company from Lhokseumawe contracted to build the houses for the transport department, brought a team of workers from North Aceh for the project. Second, delays in construction due to lack of available land rendered the project vulnerable to the soaring costs of material and transport in Aceh; although IOM initially agreed to construct 770 houses, in September it informed the Queensland administration that the existing budget was only sufficient for 500 houses.

Finally, the project has been plagued by serious quality control issues. By December, 156 houses in four areas had been completed and keys given to occupants. But a survey conducted mid-December found while the houses for the Department of Transmigration (the first to be completed) had 100 percent occupancy, only 67 percent of transport department houses and 7 percent of houses built for the police force had people living there, and not one of the 12 houses built for the agriculture department was occupied, despite the fact that keys were handed over in September. Beneficiaries of the latter explained why: “There is only one well between twelve houses, and anyway, the water is too dirty to drink. There is no electricity and the doors don’t shut properly. I don’t mean to sound ungrateful - but do people in Australia live like this?” IOM did confirm that “all the houses will have clean water supply.” Of the residents of the 65 houses (out of a total of 153) occupied, all of whom were surveyed, only two people said they were satisfied with the condition of the houses. The main causes of dissatisfaction and delay in taking up occupancy cited in the questionnaire were: the lack of an internal ceiling, meaning that houses became very hot; doors and windows that do not fit properly and many that cannot be locked; dirty water sources, requiring the purchase of drinking water; and lack of an electricity connection, the initial fee for which not all residents could afford. The houses must be repaired by the beneficiaries, requiring skills and financial resources that many lack. Instead, they continue to live with relatives or friends. The Queensland government holds that its responsibility ends with the construction of the houses: “We recognised there would be shortcomings, but we left IOM to negotiate those.” Meanwhile, IOM says that it did not make any promises about amenities. A local government official in Aceh sought to clarify: “IOM didn’t promise electricity and water in the semi-permanent houses for the civil servants. In fact, IOM doesn’t have a budget for that. We are aware of the problem there, and IOM has said they will try to find a solution.” By mid-December, however, when the questionnaire was conducted, no attempt had been made by either IOM or the Queensland Government to rectify the problem.
The environmental cost of reconstructing Aceh

One of the most striking results of our research was the discovery of how much damage is being done to Aceh’s environment by badly designed, badly monitored aid projects. While the imperative for speed in reconstruction is obvious, the consequences of such damage - in particular deforestation - has the potential to affect Aceh long after the last aid agency has left the province.

Deforestation

Indonesia is home to 10 percent of the world’s tropical forests. Aceh itself is a province endowed with rich forest reserves. It includes the Leuser Ecosystem which straddles the south of Aceh and North Sumatra, covering approximately 2.6 million hectares of tropical rainforest, and home to a variety of wildlife such as tigers, elephants and rhinoceros, orangutans, hornbills, cloud leopards and the world’s largest flower, the rafflesia. Set in this ecosystem is the Gunung Leuser National Park, declared a world heritage site by the United Nations Educational, Scientific and Cultural Organization (UNESCO). The EC devoted €35 million ($42 million) between 1995 - 2004 to the Leuser Development Programme to support the conservation and development of this ecosystem.

Nevertheless, illegal logging in Aceh is rampant. Indonesia as a whole has the highest rate of deforestation in the world, with about three million hectares of forest lost every year. In Aceh alone, 270,000 hectares of forest disappears annually, in large part to illegal logging - much of it within Leuser, which, despite being a “protected area” under Indonesian law, is one of the most exploited areas in the entire country. Logging regulations in Indonesia in general, and in Aceh itself, are notoriously riddled with loopholes, and frequently ignored altogether. For instance, a logging moratorium technically had been in place in Aceh since 2001; however, it was continually violated, and was eventually lifted in September 2004. Illegal logging in the province before and since the tsunami has been linked by many to the military, the police, and local government officials.

Aceh’s forests are now in even more danger as the demand for timber soars. It is estimated that the minimum wood requirement for the reconstruction and rehabilitation period (estimated at five years) is 446,000m3 of sawn timber, equivalent to 1.1 million cubic metres (m3) of logs. Not only has illegal logging increased; in response to the estimated timber requirement, the Department of Forestry in Jakarta has recently issued permits for eleven companies to harvest wood in Aceh Jaya, Singkil, East and Southeast Aceh, Bireun, Pidie, Bener Meriah, Simeulu, and Aceh Tamiang. The October 2005 Forestry Decree increases the timber quota in Aceh’s production forests from 50,000 m3 to 500,000 m3. The previous acting Governor of Aceh, Azwar Abubakar was unhappy with this policy: “If this [policy] goes ahead, almost half of Aceh’s forests might be destroyed, and we will experience even greater disasters, such as widespread and never-ending floods.”

Local environmental groups say that such incidents have increased with the stripping by logging of the tree cover and other vegetation which would normally absorb water during the rainy season, creating the potential for more floods and mudslides of the type that killed more than 20 people and displaced thousands more in 2005.

Box Confiscated timber: solution or problem?

The Indonesian government reconstruction blueprint suggests that to meet the demand for timber needed for reconstruction, four sources are available: a). confiscated/found wood, b) contribution from surrounding provinces, c) land clearing, d) relinquished forest. The EC concurs and has advocated a “creative” solution to the shortage of timber in Aceh: “In the short-term, the existing reserves of government-seized illegally-logged timber could be used.” The challenge, however, is to ensure that the policy does not actually encourage further illegal logging through creating a market for “confiscated” timber. Local forestry departments have been known to sell such timber at a profit, not only violating the law but also raising the possibility that part of the fee is going back to those who cut the forests in the first place - often with military backing - creating an incentive to continue logging.

For example, on the western island of Simeulu, CARE International Indonesia is executing an integrated programme that includes the construction of 470 houses in two different locations. Under pressure to speed up implementation, but faced with a shortage of materials, especially wood, CARE turned to the local forestry department to negotiate the purchase of a stock of confiscated timber. Simeulu had been at the centre of rows over illegal logging for several years, but the logging companies, many of them from Malaysia and Thailand always worked in collusion with the local government, police and military. The head of the local forestry department explains: “We have been trying to stop illegal logging in Simeulu for years. During martial law, the company-military/local government protection mechanisms broke down; a crackdown by the martial law authorities in 2004 resulted in the seizure of more than 1,500 cubic metres of hard wood. After much negotiation between the forestry department and CARE, and lobbying by the owner of a local saw mill, an agreement worth Rp 830 million ($89,970) was signed on 30 August 2005. The price paid by CARE to the department was Rp 1.3 million ($141) per cubic metre, the same price as in a commercial panglong (wood shop) in Simeulu. But according to an official in the Banda Aceh forestry department: “When CARE bought the confiscated wood in Simeulu, the price they paid should have been sufficient only to cover the cost of administration and the processing of the wood - there should be no profit to the department. That is our law. If they [CARE] paid more, then the transaction is illegal.”

Meanwhile, a steady flow of illegally-felled timber is making its way into the construction sector to fuel the endless appetite of local and international customers for building materials. Most international agencies operating in Aceh have declared themselves sensitive to environmental issues. The EC’s Tsunami Indicative Programme document lists “sustainable development” as one of its key objectives, and talks of mainstreaming...
the environment into all activities. Meanwhile, the MDTF says that “sustainability” is a core principle of its reconstruction programme - particularly since it faces pressure from its donors to meet high environmental standards in all projects. Many international actors have also taken practical steps to try to enforce environmentally sensitive policies. For instance, to try to ensure that its shelter programme has “minimal negative impact on the environment,” the MDTF has devised several criteria that the local housing committees must adhere to, which include a maximum amount of timber to be used in each house and a list of pre-selected suppliers that have been vetted for the legal status of their wood.117 Most implementing agencies indeed say that they ensure timber is legal by insisting the supplier provide all necessary certificates.

However, two problem areas are clear. First, there has been little coordinated effort to overcome the issue of lack of materials for housing, boats, and other construction projects. A timber working group established in the early months of the rehabilitation process collapsed due to lack of interest. While the initiative was revived by UN-Habitat, the first meeting in September 2005 was attended by representatives from only three INGOs, the Canadian embassy, and a Canadian forestry company - a disappointing turn-out, given that almost 100 organisations are involved in house construction. The three implementing agencies present at the meeting spoke of difficulties sourcing timber, and noted that supply lines are not secure for the longer term.

Second, there often appears to be a substantial gap between policy and practice in the activities of implementers. For example, Yayasan AIRO, a local NGO in Aceh Besar, was one of eight organisations tasked by FAO, with ECHO funding, to build small boats for local fishermen. AIRO and other FAO projects in the area all source their wood from deep in the mountains of Lampannah Leungah. The wood cutters explain that when wood is needed, someone comes from AIRO: “A foreign guy who can speak some Bahasa Indonesia, sometimes more than one foreigner, meets with the boss here, Yah Li, to order the wood.” Using chain saws and other equipment provided by AIRO, Yah Li and his men cut the wood for the boats to order, the price is much less than in the local panglong. At the end of December 2005, Yah Li was busy in the forest fulfilling a recent order for 100 pieces of timber for AIRO who will return by mid-January to collect it. One of the workers commented: “I know cutting this wood is illegal as we don’t have a permit, but if I don’t cut wood then I don’t earn money. You gather information for your office, right? And so your office pays you for that. If I cut wood, I also get paid.”118 When asked about the source of wood, the FAO master boat builder, said: “We rely on our local NGO partners to source the wood legally and locally. But it’s very difficult to prove here in Aceh; we are aware that wood certificates can be bought.”119

"To be honest, if we have to double check every piece of wood we [FAO] purchase to build boats is legal, we wouldn’t be able to build any boats to help the local communities."


Box Wood versus brick?

MDTF houses will be made largely from brick, as will many others in Aceh. However, brick manufacture is itself destructive to the forests: FAO has said that between 125,000 to 250,000 hectares of forest would need to be cut to provide enough wood for the brick kilns in Aceh over the period of reconstruction. But few donors have factored the damaging effects of this ‘traditional’ method of manufacturing bricks into their ‘sustainable development’ or ‘best environmental practice’ policies. There is an alternative method of making bricks using soil and other organic materials, in which they are not burned but pressed (these bricks are called batako in Acehnese). However, in Aceh, batako are not used for housing along the coastal areas because their durability is affected by the salty air. The GAA initially proposed the use of batako in the Jeunib housing project, but local villagers rejected this in favour of traditional bricks made by highly polluting factories in North Aceh: “Only very few people in our community chose the ‘sand’ bricks, 90% want bricks from kilns, then we know the houses will last longer.” Finally GAA tested the site, and agreed batako would not be a good building material for this area.160

By contrast, GAA has attempted to take a minimal-impact approach in its housing projects in Simeulu Timur by planning to build its “semi-permanent” houses from coconut wood.161 Environmental groups such the Indonesian group WALHI have advocated the use of coconut wood as an alternative to hardwoods; the Institute of Technology in Bandung says houses made from coconut wood can last for 20-30 years. Although there are not enough coconut trees in Aceh to meet this need, the wood can adequately be imported from elsewhere in Indonesia. GAA’s attempt to use coconut wood in Simeulu has not been without its challenges: the wood has been hard to source, and some beneficiaries consider it to be a “low status” building material. However, if these issues can be overcome, the approach will be a valuable contribution to reducing the strain on Aceh’s forest reserves.

Laundering illegal timber in North Aceh

In Aceh, meranti, kruing, semaram, and merbau hard woods are all on offer to the aid agencies. In several panglong in North Aceh, legal and illegal wood are stored side by side. In a panglong in the main road between Samudera and Syamtalira Bayu sub-districts, the stock comes from a variety of sources, as explained by the owner: “I get the wood from a supplier in Matang Kuli area, and I also own five chainsaws myself. I pay 30 local people to go to cut the wood in the forests. I opened my panglong just this year because there is a big demand for wood from some NGOs.”162 The wood (legal and illegal) has been sold to several NGOs, including Oxfam in Banda Aceh. According to the panglong owner, Oxfam ordered 30 tons of wood: “Yes, some of the wood in that consignment was illegal.” The panglong owner has a partner, a first sergeant in (sub-district police office) in one sub-district of North Aceh.163 With a business partner in the police, the illegal wood is protected from threat of confiscation; but it does not mean his business is free from illegal fees. “Having
police as a partner does not mean I don't have to pay the military. It's not very much, about Rp 100,000 (US$11) to two local [military] posts. I think it's ok."

In a panglong in Lhokseumawe, the system is similar. Nurdin explains: "The wood comes from various areas in North Aceh; Cid Girek sub-district, Gunung Salak, Kreung Tuan, and from Matang Kuli. The trucks that deliver are always escorted by either the police or the military. I also buy wood from the villager, and from small businessmen, but NGOs are my main customers. Oxfam orders direct from here. They bought 30 tons that they told me was to be used in North Aceh. [ECHO-funded] IRC/CARDI also have bought several times from me, including five tons of hard wood for clinics, and a lot of chipboard. CARE from Banda Aceh bought wood for ceilings and window sills, but they ordered via an agent. Only IRC/CARDI asked me if the wood is legal, I said "yes." They asked me to confirm that by writing it on the purchase order, I said "ok." [But] I didn't get this wood from the big sawmills, only from the villagers and businessmen who cut the forest - neither of them has a certificate." Had IRC/CARDI asked to sight a certificate that would give proof the wood was in fact legal, Nurdin would not have been able to produce such a document. This would then have given an indication to the buyer that the timber was not legal and should not be purchased.

Over fishing: Worthy of brief mention here is the issue of over fishing; Aceh's shallow coastal waters have long faced excessive demands. "Even before the tsunami, there was already an indication of over fishing in Aceh," an FAO official said. Since the tsunami, however, an oversupply by aid agencies - including the FAO - of small boats that cannot venture into deep waters has put coastal fishery stocks at even greater risk. "Now that many small boats have been donated, the situation might get even worse," said the FAO official. "Better to give bigger boats to allow the fishermen to go to open sea." Such points had already been raised with the FAO by Panglima Laot, which advised supplying fewer, but larger boats, preferably not less than 15 metres, and discontinuing the supply of boats under seven metres. But the FAO itself has continued with its programme to distribute small boats, and refuses to comment on the disparity between their prescriptions and actual programme practice.
The French NGO Triangle Generation Humanitaire (TGH) is working to reactivate fishing activities in the district of Aceh Besar. The programme, which includes providing 131 fishing boats, is funded by several donors, including a $365,383 contribution from ECHO. The ECHO contribution funded 50 boats made by local boat makers.

From the beginning, this programme was based on the premise of inclusiveness. By discussing concept, design and processes of implementation with the beneficiaries and also Panglima Laot, Triangle has successfully created a sense of ownership in all aspects of the programme. Boats are assigned to beneficiaries based on a letter of recommendation from the head of the village, and an assessment by Panglima Laot and the fishermen themselves.

Even before Ramli began work, each of the 8 to 9 metre boats to be made in his boat yard were already assigned to a fisherman. The wood is sourced from a panglong in Lhoong where the owner Rusli, is happy to provide eight different documents to prove the wood he is selling is legal. The boatyard is paid Rp 2.5 million ($269) per boat, and the design is a result of input from TGH staff and Panglima Laot who visit the workshop several times each week. The beneficiaries are also encouraged to visit the yard to check on the progress of their boat: "It's nice to see my boat being built, but I don't need to give input on the design because that foreign guy from TGH has a very clever boat building technique," said one. The fishermen who have already received their boats are also very satisfied: "We are all very happy with these boats - the quality is very good. TGH and Panglima Laot have done a very appropriate programme here, and we are very grateful."
Donor and implementer ‘best practice’

In all of the areas of concern discussed above, problems have been exacerbated by three issues: lack of coordination between donors, failure of donors and implementers to monitor and evaluate projects, and failure of donors and implementers to heed the recommendations of existing evaluations or to respond to changing conditions.

Coordination between donors

A common refrain in evaluations and internal reports of many international NGOs and others operating in emergency situations around the world is the need for cooperation and coordination with other donors and agencies. Given what an official from AIPRD calls the “turf wars” (competition for project areas) that have taken place in Aceh between many of the implementing agencies, this competitiveness has led to even greater reluctance to exchange “real information.” Coordination meetings are often simply an arena whereby representatives of agencies agree to work together, and then “go away and do exactly what we want and had planned anyway.”

There are many examples of friction between donors when one organisation’s project “ownership” faces a “hostile” bid from another agency. For example, the village of Blang Krueng in Baitussalam needed 367 houses, and in March 2005, Obor Berkat Indonesia (OBI) promised to provide housing; however, it pulled out before implementation began. Villagers were understandably very pleased to accept a subsequent offer in May 2005 from the ADB, which promised houses and other village needs, and even left plans of the houses with the head of the village. But by September, the ADB had not returned to Blang Krueng. Persuaded by the frustrated community, the head of the village turned to World Vision, who agreed to take on the project. Villagers subsequently witnessed an exchange between World Vision and ADB staff members, during which the ADB representative accused World Vision of having a “competitive spirit.” The head of the village was puzzled: “Why is the ADB not happy when others want to help us? Anyway, they should have complained to me, not to World Vision. Their attitude is unacceptable.”

Sometimes agencies do coordinate to “rescue” a community from a programme that has either failed to materialise or that has hit insurmountable obstacles. One such example is that of the Oxfam shelter project in the village of Blang Oi in Banda Aceh, which in essence collapsed and was ‘rescued’ by the MDTF housing programme. As Oxfam was trying to quietly downsize its programme in Blang Oi, local community leaders and a local NGO working on behalf of the community, essentially pushed Oxfam into finding a solution. Over a period of several weeks beginning early October, Oxfam staff held meetings with the community in Blang Oi, and promised 330 Type 36 houses. The community of Blang Oi had been promised housing on two previous occasions, by the Indonesian NGO Jenggala (recently renamed YPKI) who promised 100 houses, but built only 20 of such poor standard that nobody would live in them, and by World Vision who did not even reach the stage of laying the foundations. Oxfam put a picture of the houses they would build on the village notice board for all to see before signing up for a house. In total, 273 people registered, and the list was submitted to Oxfam for the MoU to be drafted - a process that would, according to Oxfam staff, take only 24 hours. As time passed and the MoU promised by Oxfam was not forthcoming, the people of Blang Oi lost patience quickly. The local organising committee was only slightly surprised when, mid-December, they received news that “Oxfam, with its limited budget next year, will not be able to meet all of Blang Oi’s housing needs.” The positive outcome is that the MDTF has taken over responsibility of 218 houses from Oxfam, leaving Oxfam with only 50 to build - a face-saving measure. The community is getting its housing; but Oxfam’s reputation is dented, despite the fact they have offered to give technical advice to villagers who might need it during the construction of their houses.

By contrast, it is heartening to see progress in reconstructing communities that are the result of multi-agency efforts. In the coastal village of Kuala Keureutou in Tanah Pasir sub-district of North Aceh, there are three agencies working side by side: Save the Children, Help Germany and IRC/CARDI. From the villagers’ perspective, coordination and collaboration between the three is very good, and has translated into some very positive results for the local community. Basic food needs are being taken care of by Save the Children, who are also giving training on how to start small businesses. Meanwhile, Help Germany is providing Type 36 houses, and 27 boats for local fishermen, built by boat makers who attended the FAO training course for boat-makers; water and sanitation needs are being coordinated by IRC/CARDI. More importantly, the atmosphere in the village - both among the agencies and the villagers - is very positive and supportive.
The MDTF's shelter programme

The MDTF's two-phase Settlement Rehabilitation and Reconstruction project is working together with the KDP and UPP to build and repair housing for hundreds of villages in Aceh and Nias. Soaring costs in Aceh have affected the scope of this project; soon after the project was approved, the BRR increased the minimum price per unit from Rp 28 million ($3,015) to Rp 42 million ($4,523). In response, the Trust Fund reduced the number of villages in which the project will be implemented, and made a downward adjustment in the total number of houses to be built in the first phase to 6,000; the number of repairs has also decreased. The pilot phase, which began in December 2005 with UPP facilitators' support, will fund the construction of almost 1,000 houses and the rehabilitation of several hundred more in the Banda Aceh area.

Implementation of the Fund's housing programme is grounded in the same philosophy as the UPP and KDP mechanisms: the belief that community empowerment and education should be an integral part of a community infrastructure programme. The programme has recruited UPP facilitators, and expanded on the existing network of KDP staff, as well as recruiting and training new staff whose focus is solely on housing. Local housing committees of 10-15 people are being established in the target villages, as well as a local oversight Board of Trustees, all of whom are notarised. Via the local housing committees, the scheme gives cash grants of Rp 42 million (the BRR approved rate for a standard Type 36 house) to each beneficiary, whose responsibility it is to plan, design and implement the building of their own homes. The houses must meet earthquake proof, environmental, and other standards, including the possibility for future extension. Grants of Rp 15 million ($1,615) are also available to those in the area who need money to repair their houses. The money is disbursed via a special account established by the housing committees. The Fund has also placed consultants in the field to assist with design and other technical matters, and to help ensure that pre-requisites of transparency, accountability, environmental standards and others are met. This is, according to the MDTF, "the ultimate in community driven development." 139

"The MDTF only has a monitoring role in this programme. It is the communities themselves who should decide who receives a grant to build a new house, and who needs financial assistance to repair their house."


This programme is on-budget, with funds being channelled via a special account held by the Ministry of Finance in Jakarta. As with most on-budget programmes, the MDTF's settlement programme got off to a slow start. The bureaucratic procedure is, according to the Trust Fund Manager, "too slow. Housing is a particularly urgent sector; delays are really unacceptable." 140 BRR has itself been frustrated with the sluggish pace at which the giant wheel of bureaucracy in Jakarta turns; a spokesperson quoted in the local media said: "We understand that the ministry of finance's job is to control; but if the control puts a stop to (reconstruction and rehabilitation) then it's not right." 141 For its part, the Ministry of Finance says the delay is because the implementers don't understand the system: "Yes, we know some people think the delay is in the finance department, but we will not approve the procedure while the project remains unclear. Until the DIPA is in order, the programme will not go ahead." 142

In Gampong Baru, Banda Aceh, the community is very happy with their new situation, one resident explains: "We've been promised houses by several NGOs. UPLINK came to do land mapping in April and promised 250 houses-no implementation. World Vision arrived here in September to build barracks, and they said they would follow that with 213 houses-no implementation. Perhaps that's lucky for us in some way. The UPP came last week and told us we could have this new housing scheme. We can already see the results in that we have already set up housing committees and have begun to discuss budgets and building strategies; it's great." 143 For communities frustrated by empty promises, the MDTF housing scheme is the opportunity to take control of at least some part of their lives.

No scheme, however, is without potential problems. A number of interlocutors voiced concerns about the potential for corruption, in the form of giving 'coffee money,' to those whose task it is to approve each phase. As in all Trust Fund projects, strict anti-corruption mechanisms have been put in place in principle: the money for a new house is given in three tranches and for repairs in two tranches, and any non-fulfilment of requirements or hint of malpractice will result in the next tranche being withheld. The assessment of progress is conducted through a community adjudication committee that gives technical assistance to people to help design their own homes. Nevertheless, a local community group based in the same sub-district as the pilot project voiced concerns: "The opportunity for some corruption in this MDTF mechanism is very high. For example, it would be easy to over-price materials, or over-charge for building contractors etc. That's the Acehnese way, but we don't call it corruption." 144 Meanwhile, some of the beneficiaries are concerned that the Rp 42 million might not be enough to build the houses given the soaring costs of materials in Aceh. There are already discussions in the villages about if, when, and how the MDTF should be approached for an increase to the allocated grant, or whether communities that will be involved in the next phase of the projects should simply reject the project and wait for another agency to provide a house.
Box Stolen aid

The town of Geudong in Samudra sub-district in North Aceh was not directly affected by the earthquake or tsunami, but those from surrounding areas whose villages had been destroyed flocked to the area to seek refuge. The local Geudong community helped to source food and other items that were needed by the 1,500 families (5,378 people) from nine villages that settled there.rn The Geudong mosque became the focal point for IDPs who set up camp on the community owned land adjacent to the mosque. A posko (emergency coordination centre) was established in the mosque, and Haji Syukri, a community leader, was elected as its head. Many organisations distributed goods through the posko, including local partners of Save the Children, which was operating with Australian and ECHO funding. The distribution system was, according to local people, working very well; each village camped in the grounds of the mosque had formed a Board who gathered information weekly on what was required, then placed an order with the posko. But problems began when, after one month, the SATLAK (a sub-district board for disaster management consisting of sub-district level government, police and military) arrived to appoint a new head of the posko. The local people were afraid of the new head, who was known to be very close to the military.

In late February, against the wishes of Syukri and others, the posko was moved to the camat office, about one kilometre away from the IDP camp. The SATLAK and the new posko head said the mosque was overcrowded, and that the posko was disturbing the activities of the mosque. But in fact, the mosque committee say this is not true: it was an elaborate ploy to facilitate the theft of aid. Local people explained how many of the goods that arrived - including baby milk, mattresses, buckets, blankets, sanitary products, clothes, sarongs, shoes, blankets, raincoats, kitchen equipment, tent equipment from Oxfam and other items - were taken away by the new posko head, staff from the camat office, and SATLAK staff. The villagers were powerless to complain.

Staff at the camat office explain that although records were kept of what was given to the posko, those records have gone missing. "The office has been cleaned and I don't know where the books went," said a staff member. "Perhaps they are already burned with other paper; that's what we usually do. I do remember that Save the Children, Oxfam, ICRC and others gave a lot of things." When pressed about the ethics of burning government documents, the staff member suddenly changed his mind: "Perhaps the record books are in that cupboard, but I don't have a key." Given the weight of evidence, it seems quite likely that at least some and possibly most of the aid was misused and diverted to parties for which it was never intended. To date, none of the guilty parties have been brought to account on this matter by any of the donors, NGOs or their relevant constituents, despite the fact that the misappropriation is well known within the local population.

Monitoring and evaluation

Failure to monitor processes and outcomes can lead to a variety of negative outcomes. Monitoring is vital to heading off corruption, quality control issues, and non-delivery of promised outcomes. Failure to monitor in turn can lead to feelings among beneficiaries that implementers gain more than they give, and don't much care about the outcomes for the recipients. Meanwhile, failure to conduct post-project evaluations permits bad implementers to get away with poor performance and to proceed to the next job, leaving behind bad quality projects and bad feelings.

For example, in July the IOM, handed over 157 ECHO-funded market stalls in four locations on the western island of Simeulu. But by December, most of the market stalls outside Sinabang, the island's main town, remain empty. In Latiung village, Teupah Selatan, not one of the 14 market stalls built by IOM, is being used. Local villagers say nobody will ever use the market which has fallen into a state of disrepair in only a few months. "The condition of the stalls is terrible. It doesn't look like a market, it looks like a series of chicken sheds. There are many holes in the walls, nobody wants these stalls now." The local Bupati bristles when asked about the IOM market stalls: "Well, I wanted to discuss the style of the market with IOM, but seems they didn't want my suggestions. Apart from those in Sinabang, the market stalls are just a waste of time and money." Had IOM returned to Simeulu to evaluate the impact of this project, they might have been able to rectify some of the problems by repairing the broken stalls, while at the same time building better relations with the local communities. On Simeulu, IOM has earned a reputation as a 'couldn't care less' organisation for whom tsunami reconstruction is 'only a project.'

"The foreign NGOs will be in Aceh as long as it suits their interests to be here. I think the only motive they have for being in Aceh is because there is money available; as soon as the money dries up, they will leave." Adli Abdullah, secretary of Panglima Laot, interviewed 16 November 2005.

By contrast, the IRC/CARDI health programme partly funded by ECHO in North Aceh has, according to local staff employed to work on the programme, an ongoing system of monitoring and evaluation. The programme is wide-ranging, and includes the construction of 9 polindes (village level community midwife clinics), supplying all equipment for the new clinics, training of community midwives, and in collaboration with the Ministry of Health and the Association of Indonesian Midwives (IBI), IRC/CARDI is collaborating to standardise training for Acehnese midwives. When it became evident that people in many areas had very little knowledge of basic hygiene practice, IRC/CARDI employed local volunteer staff on per diem salaries and initiated a two-month training course. At several steps along the way the training was re-evaluated and the local communities were consulted; the result is a programme that is having a positive impact on basic hygiene and health care in some of the most vulnerable populations in the area, where many still live in barracks where conditions are unclean and
sometimes overcrowded. In the area of Keude Lapang, in the sub-district of Tanah Pasir, an IRC/CARDI local ‘volunteer’ who is paid Rp 25,000 ($2.70) per day to live in the barracks with the local community to improve basic levels of hygiene and health care said: “I’m happy with the training I received from IRC/CARDI. I do like working here, and I know the local people appreciate our work.” The programme has not been completely free of problems, but the beneficiaries are relatively satisfied. In discussions with several villagers in the barracks community, there was much enthusiasm for the IRC/CARDI programme, and praise for the fact that there is an ongoing system of monitoring, evident from the visits by more senior staff who sometimes come to the village to check on implementation and from the fact that when the community requested change (such as less emphasis on health and more on basic household hygiene), local staff responded immediately.

Reactivating evaluations and changing conditions
All too frequently, researchers heard that organisations had already recognised or been told of the problems at hand. Often however, it seems that agency staff had either lacked confidence or did not have the authority to use their own initiative to either properly assess changing conditions or to respond to recommendations for change. This has led to waste as well as to frustration on the part of beneficiaries.

For example, throughout Aceh, World Food Programme (WFP) food bearing the words ‘Not For Sale’ can be found for sale in many small shops and markets. IDPs with no income prefer to sell most items in the WFP food basket (which has not varied its contents over the past 12 months), or to trade them for other commodities. The problem is partly one of oversupply, and partly one of local tastes. “I would say 80% of the people here don’t want to eat tinned sardines from WFP, so we sell them,” one camp dweller explained. “When the food is delivered, we call the agent to collect it and the agent pays us Rp 1,000 ($0.10) per tin [of sardines].” In Banda Aceh, the pattern is the same, but the price paid to the IDPs per tin is only Rp 500 ($0.05).

This market in “Not For Sale” food is not limited to Aceh, however. An extensive trading network distributes biscuits, tinned sardines, rice and other WFP supplied foodstuffs all around North Sumatra. Much of the food is sent to the bigger markets in Medan via a network of larger agents. A local agent in North Aceh explains: “After I buy from the IDPs, I take the stock to a shop in Syamtalira Aron, where it is taken by truck to Medan.” To counter potential problems at police or military checkpoints, trucks usually carry a letter purchased from the local police or military confirming that “this aid is not stolen, but has been sold by the IDPs.”

“The bigger buyer in Medan will call us if a truck arrested or checked by the police. Then we must explain to the police that the stock is not illegal but has been sold by IDPs who need the money to buy other things.” Local village agent, Samudra, 17 December 2005.

Unsurprisingly, considering the scale of these sales, the problem has been brought to the WFP’s attention in various ways. For instance, in July 2005 the Indonesian Center for Agro-Socio-Economic Research and Development (ICASERD) conducted research to assist the WFP in formulating its food aid policy in Aceh. The report noted that people were finding the food basket on offer less and less appealing, and that some of the food was regularly sold by beneficiaries. In particular, the ICASERD report recommended that the canned sardines be cut out of the food basket, perhaps to be replaced by other fish products closer to local tastes. A December 2005 FAO/WFP report indeed addressed the growing problem of inappropriate food aid. But the report devoted only two short paragraphs to the issue, portraying such incidents as anomalies involving only IDPs with higher income status and those involved in cash-for-work schemes; and the same food basket will continue to be distributed by the WFP until March 2006 because the stocks have already been bought.

By contrast, the ADB has taken a highly flexible approach in its programmes, checking to make sure that needs remain current before projects begin. For example, an ADB housing project has been deliberately delayed to permit re-assessment of the needs in the previously planned areas for the pilot project: “In June we had some initial ideas of where the housing project would begin, but now we must look again because I think some NGOs are already providing houses there,” said an ADB official. Moreover, the amounts set for each department are fluid, and subject to ongoing assessment and adjustment. “The decision of exactly how much will go to each department is still in the process of being reassessed due to changing needs and conditions,” explained an ADB Project Manager. “Probably the Agriculture Department doesn’t need as much as we originally allocated - we can divert that money elsewhere.” The flexible approach indeed extends to sectoral redistribution. “In the last MDTF Steering Committee meeting, we discussed the fact that there are sectors that have received financial allocations from donors that exceed their actual needs; but for other sectors such as public infrastructure for road and bridges, there is a shortfall in allocation,” said the head of ADB’s extended mission in Sumatra. “The ADB is considering diverting funds from over-financed sectors to infrastructure and other sectors.”
AIPRD support for sub-district and village government

Fuelled by the sound principle that the sustainable rehabilitation and reconstruction of Aceh must rest on the foundation of a functioning local government structure, the AIPRD’s post tsunami assistance package includes a governance programme. This comprehensive programme includes the building or repair of up to 180 village offices and meunasah, as well as providing equipment for these offices and ongoing training programmes for local staff. An initial allocation of A$3 million ($2,239,000) has been made for the project. The first phase of the project will provide 66 village offices or meunasah in Aceh Besar; and has already begun in Baitussalam, where a sub-distric office and 13 village offices will be repaired or reconstructed. The AIPRD has employed the services of an Australian management contractor, GHD, to assume overall responsibility for execution of the programme, including to oversee design, consultation with local people, and budgets. A special grant agreement has been signed with the World Bank to facilitate funds being disbursed via the Bank’s KDP mechanism. Unlike the KDP’s block grants, however, which have a degree of flexibility in their use, the Australian grant is earmarked specifically for local government infrastructure.

Use of the KDP mechanism, however, has secured neither adequate communication with beneficiaries (both local government officials and villagers) nor an understanding of their priorities and needs. Plans for the offices were not shared with local government officials until late in the implementation process. In the case of camat-level offices, objections by local officials have been taken on board, but have led to delays in implementation. An AIPRD official commented: “The first design for the sub-district office would have cost Rp 500 million ($53,700), but the camat didn’t want it. So, the sub-district office had to be redesigned - in fact, the budget was then reduced to Rp 300 million ($32,220).”196 In the case of village-level offices, however, such flexibility has not been extended. A local KDP facilitator said: “The scheme is a good one. The only problem is that for this project, we are directly under the control of the GHD/AIPRD. They gave us the design of the office, and the breakdown of costs after everything was agreed, so we are able to make some small adjustments in allocation. And unfortunately, we cannot change the design because AIPRD said the design should be like that.”196

Meanwhile, villagers appear neither to have been asked about their priorities nor kept informed of the progress in the projects. Researchers for this study conducted questionnaire-style interviews with 260 residents of Baitussalam between 16 and 21 November 2005. The purpose of the questionnaire was to assess level of satisfaction with the process of consultation and implementation of the village offices programme in the sub-district. The study involved 20 respondents (10 women and 10 men) from each of Baitussalam’s 13 villages. None of the 260 respondents interviewed had attended a village meeting. Furthermore, none of the 130 female respondents had ever been invited to attend a meeting either about the planning process or to be informed that village offices would be built. Women who did know of the project had been told by a male relative. Very few respondents outside Kajhu (the location of the pilot office) had heard of the project at all; even in Kajhu, where construction was taking place when the interviews were conducted, respondents said they had no idea who was building the village office, but they did know that very few local people were actually involved. The results of the questionnaire confirmed that information was not forthcoming, and the KDP facilitators themselves explained that they must await instructions from GHD. Meanwhile, not one respondent cited the village office as the top priority for the community. Several village heads said that while the people remain in temporary accommodation, the village office should not be a priority for donors. Asked to list priorities for the villages in Baitussalam, 75% of respondents to the questionnaire mentioned housing and related services such as water, sanitation, and electricity supply, while 9% prioritised livelihood opportunities as more important to rehabilitate the community than a village office. The remaining 16% mentioned general communal facilities; even when explicitly asked about the village offices, none said they were a priority.

This lack of communication is leading to frustration with perceived delays. In October, the head of Cadek village had been waiting for his new office for several months: “We are grateful the Australians will build our village office, but we must wait until after they build the pilot office at Kajhu. There are always delays. Now they say they will begin after Hari Raya [religious day of celebration] in early November.”197 But in reality, there was never any chance the building would begin in November.198 The local KDP facilitator for Cadek confirmed that it would be early 2006 before the first stone would be laid. When asked whether he had told the head of the village of the new date, he replied: “No, I haven’t informed them of the schedule. We are waiting to receive confirmation from the Australians that everything is ok.”199 Meanwhile, delays are leading to frustration. Villagers suggested that the KDP should release the funds to enable local people to build the village offices themselves: “It’s not a priority, but if it’s going to be done - then let’s do it” said the head of the village.200 Furthermore, several local residents asked the researchers: “Can you give a message to the Australian government? We, the people of Cadek, are tired of your empty promises. Take your village office and promise it to someone else - we don’t want to be your ‘project’ any more.”201
IV. Conclusion

"We need honesty and commitment, not just promises."936

There is no doubt that the reconstruction of Aceh presents massive challenges, even to the most seasoned aid agencies. The work of the international, national and local aid communities has already made crucial contributions to Aceh’s rehabilitation, and will continue to do so well into the future.

Nevertheless, this study has highlighted several critical consequences of aid programmes in Aceh. These problems stem in large part from the failure of donors and implementers to consult with communities as well as to coordinate among themselves, as well as to consider the appropriateness and potential impact of their projects. They include:

Feelings of disempowerment and frustration among beneficiaries: Distressingly, the lack of consultation and communication with beneficiaries often clearly has heaped added stress on an already traumatised population. "Outsiders come into our community to take pictures or lay foundation stones, media come to report ‘progress’, the BRR visits, but we get no opportunity to say anything," said one person. "We smile politely, then they all leave, but nothing happens for months. This is our life; but we are not the background for a photo shoot or a movie - this is real life."937 Beneficiaries treated as passive recipients particularly resented the "dumping" of inappropriate or poor quality material aid, such as poor quality housing, food, livelihood schemes or other ill-conceived, supply-driven programmes. The failure to adequately consult with beneficiaries seems a particularly egregious oversight in the case of housing design, a highly emotive area for beneficiaries: Feelings of disempowerment and frustration among beneficiaries seem a particularly egregious oversight in the case of housing design, a highly emotive area for beneficiaries. Few readers of this report, if their houses burned down, would relish the thought of second party having sole responsibility for and control over the design of a replacement. Similarly, many Acehnese are deeply frustrated at having to stand by while houses are constructed that do not meet their needs.

These feelings of powerlessness and frustration often turn into anger against implementers and donors. Many felt let down by agencies who came to get data so they could solicit funds from overseas, but never returned to implement projects. "Many people promise us programmes," said one official, "but actually they only come as ‘tsunami tourists’. Then they feel sorry for what they see, and want to help. So they promise the villagers to build houses, schools and other things; then they go back to their country to source the money. But they either can’t source the money, or they don’t get enough, so they don’t come back."938 Some people expressed great cynicism about the motives and goals of international agencies. "Actually, here on Simeulu we call CARE cari repot - that means they deliberately make things difficult for themselves. You want to know why CARE implements its housing programme on Simeulu so slowly? Well, that’s because many come from elsewhere to work for CARE here, they like it and want to stay longer; if they implement the programme more quickly, they will lose their jobs."939 Others were enraged. "If any other single NGO comes to promise without working, I will chase them with a machete," said one village head in Aceh Besar.940 Most, however, quietly stated that they simply wanted fair treatment. "We will accept any NGO who can help us here in Aceh Jaya," said one district secretary, "but if the NGO has an empty promise, then please stay away."941

Meanwhile, Acehnese cast in the role of intermediaries between communities and implementers were particularly upset when failures on the part of donors or implementers left them in an awkward situation with the local people. For example, when Oxfam began to downscale its support for housing in Blang Oi, local committee members told the INGO that it needed to attend the community meeting at which the bad news would be told, as they (the local committee) had worked hard to obtain support for Oxfam’s housing programme, and felt the villagers would blame them for its partial collapse: "You [to an Oxfam staff member] better bring yourself, and some others to the meeting," said one. "We will not let the villagers down again - we want you [Oxfam] to tell everyone that it has nothing to do with the village committee, that the mistake lies with Oxfam alone."942

Some implementers have found the resilience and strength of the local people, which is an invaluable aid to the overall reconstruction process, a "hindrance." "The problem with the locals here in Aceh [is that] they’re too stubborn, they think they know better, and rarely say ‘thank you’," one staffer said.943 People who refuse to move into houses that are too small or into barracks that are far from livelihood opportunities, or to work for no pay when around them are communities employed in cash-for-work schemes, are thought of as "ungrateful." But it is not ingratitude to demand fair, open and accountable treatment.

Waste: The stories scattered through this report are ample testimony to the scale of waste occurring as the consequence of lack of consultation and coordination. Houses that people do not want to live in, boats that are not seaworthy, grants that are not adequate to their purpose and so are being spent on other things - these are a dishonour to governments and individuals who have contributed their money, to individuals and organisations who have worked hard to create projects, and to "beneficiaries" themselves.

Creation or exacerbation of social divisions: Reconstruction aid to Aceh has all too frequently come at a social cost. Unequal levels of assistance, whether within or between communities or regions, and the ability of some individuals to profit from the presence of international agencies while others bear the brunt of inflation, are already fuelling social jealousy. Meanwhile, the potential for tension between those displaced by the tsunami and the communities into which many have settled will only grow as more people migrate from ‘non-tsunami-affected’ regions into ‘tsunami-affected’ ones in search of employment and assistance. As the divide between winners and losers in the reconstruction aid stakes grows, and social capital is steadily eroded, the chances increase for social conflict. Indeed, despite increasing attention in the international development assistance community to the relationship between development...
assistance and conflict, many of the programmes examined in this study appeared to lack a conflict-sensitive perspective. Meanwhile, the marginalisation of women in decision-making processes reinforces existing patterns of gender discrimination.

*Unsustainable practices:* This study's findings raise serious questions about whether Aceh's social or physical environment will be able to stand up to the short- and long-term effects of many aspects of the reconstruction effort. A failure by implementers to develop local capacity is likely to lead to the collapse of ambitious projects after international agencies leave the province. Meanwhile, the illegal logging accompanying the reconstruction process robs Acehnese of fair return on public goods; threatens the province's biodiversity and potential for economic activities such as ecotourism; and has the potential to lead to yet more natural disasters in the future.

In addition to the problems mentioned above, there appears to be an underlying reluctance by the international community to recognise the self-help capacity of the Acehnese people. All around Aceh, local people - tired of waiting for assistance from others - are building their houses and schools from debris and are providing their families basic needs. Through their own initiative, they have established community committees, and are giving support and spirit to those who have lost so much in the tsunami. These people do not claim 'ownership' or reward for such efforts. There are no glossy brochures or websites announcing to the world the role that local people play in the rehabilitation and reconstruction efforts in Aceh. They do not attend international seminars, do speaking tours with powerpoint presentations, or press interviews to gain kudos or material reward. The role local people are playing in their own rebuilding is one of the great success stories of the post-tsunami period. A more thorough recognition by donors and implementers of this role is clearly needed.

The ultimate lesson of this study is that the success of projects must be measured not just in quantitative, but also in qualitative terms, with input from beneficiaries as well as observers. Assessment and evaluation approaches that focus exclusively on quantitative tallies of number of beneficiaries, number of houses built etc., will ultimately fail to appreciate either the full success (or lack of it) of projects or their long-term consequences, both anticipated and unanticipated. To truly get a sense of the impact of projects, as well as to assess whether relief, rehabilitation and development phases are actually building on each other in a constructive way, it will be necessary to ask their beneficiaries - as indeed this study has attempted to do.
V. Recommendations

Consultation and communication with communities

• **Improve community consultation at all stages of project implementation, including pre-project needs assessment and project design.**

Failure to consult all members of communities, both men and women, the wealthier and the poor, during all stages of project implementation can lead to ineffective or inappropriate projects and people feeling cut off from their own futures. Top-down needs assessments should be replaced immediately with bottom-up consultations. This means going beyond the level of the *camat* or *kepala desa* to the people in the villages. Rather than talking of information flows from the implementing agencies to the communities, information from the communities to the implementing agencies should be prioritised. Specific resources should be made available to facilitate a substantive two-way flow of information. The process should be a coordinated effort between donors who plan to enter a certain area, perhaps by establishing a joint needs assessment team.

• **Improve communication with communities.**

Lack of access to information is causing discontent within communities, even spilling over into anger and resentment against implementing agencies who are late in fulfilling promised infrastructure, livelihood and other programmes. Indirect information flow that passes through different layers of local authority not only ensures that bits of information drop out, but runs into problems related to a hierarchical and male-dominated social structure. Many information strategies currently under use by donors and implementers, such as notice boards, clearly are not being updated regularly. The MDTF housing programme has made a public commitment to the local communities to ensure its notice boards are kept updated with information on funds disbursed, to whom, and with what progress. This initiative should be monitored carefully for quality of information, and if proven effective, it should be replicated elsewhere.

• **Increase community participation in project implementation.**

More community involvement in project planning and implementation not only gives people a sense of ownership, but helps head off unanticipated issues such as questions of relevance, impact and appropriateness. Give local people the resources directly: enable them to access technical assistance, materials to build, and other help they might need to execute, complete and report on their own community projects. At the same time, the donors must adopt a more flexible, less self-interested attitude in terms of timeline and project budgets.

• **Increase women's participation in community consultation, communication, and implementation.**

Due to the patriarchal structure of Acehnese society, if women are not explicitly included in the consultation process, they will be excluded. Donor and implementers need to ensure women have equal opportunities to participate in decision making processes by challenging the self-appointed role of men in positions of leadership within communities. For community meetings, policies of positive discrimination, including quotas, may ensure that women are nominally present; however, women attendees often remain silent. A better option would be to conduct separate women’s meetings, as many women lack the confidence to express their views, in a male dominated environment, especially if local government representatives are present. These women’s meetings should elect representatives to attend community meetings to present the women’s contribution. Implementers and donors should also try to use more female outreach staff, as many women complain that it is difficult to become involved in a process on an equal footing when most of the visible aid agency staff are men, and should consider programmes aimed at changing men’s attitudes in order to ensure changes are sustainable and ultimately become an Acehnese-driven agenda, rather than one imposed temporarily by outsiders.

• **Increase representation by civil society organisations on donor and implementer steering committees, and provide resources for such representatives to engage in consultation and information sharing.**

For example, no resources are available to civil society representatives on the Steering Committee of the MDTF to undertake consultation and information sharing. The rights and responsibilities of these two representatives on the committee should be made clear to them, and resources must be made available to enable them to engage in processes with other members of civil society to solicit ideas for policy, and to share decisions made.

• **Be sensitive to broader community priorities when initiating projects.**

Starting major infrastructure projects while locals are living in tents can create public relations problems if discussion and negotiation has not taken place. Donors should coordinate to ensure that communities agree to, and appreciate the urgency of public infrastructure to the broader reconstruction process. At the same time, agencies should ensure basic needs are being met by the time other projects begin.

Building local capacity

• **Strengthen cooperation and collaboration with local government.**

Provincial and district government officers often express frustration and resentment that donors and agencies are bypassing existing mechanisms and taking on the role of a second, parallel government. In order to give local officials their place in the process and to ensure sustainability, their ownership in the reconstruction process must be strong, and collaboration and cooperation must be strengthened. A participatory relationship that results in local government officials being included in planning, monitoring, evaluation, and training would have the potential to benefit all parties. Meanwhile, international donors and implementing partners should refrain from absenteeism at
coordination meetings called by local government departments, instead sending at least a mid-ranking official to each meeting.

• **Take steps to prevent a brain drain from the civil service.**

After donors and implementers move on, responsibility for the continuation of many projects and for a better future for Aceh will lie largely with local government. Brain drain from the civil service now bodes ill for the future, and might be reduced by offering civil servants who have attained a certain term of service - say, five years - the opportunity to apply for one- or two-year secondments to an INGO working in a similar sector. In this way, experienced workers can enjoy additional salary and benefits while gaining experience and exposure to new ideas that can eventually be returned to their original workplace. Such a strategy could turn what is currently a negative phenomenon for the civil service into a positive one.

• **Work to increase the capacity of local NGOs using a needs-based agenda**

Local NGOs or community based groups should have access to capacity building opportunities independent of project implementation, and with an eye to the longer-term future of civil society groups in the province. In addition, a list of resources for capacity building opportunities that will help these local groups comply with international donor standards of monitoring and reporting should be made available.

**Avoiding social conflict**

• **Be sensitive to potential conflicts between locals and outsiders.**

Aceh has become a land of opportunity for many in Indonesia, with people arriving from Jakarta and further afield in search of highly paid jobs with the international donor community. The aid community should be aware that if the majority of jobs, or the majority of the more senior positions are seen to be filled by ‘incomers’ then resentment will spill over into latent and finally outright social conflict. There are already examples of conflict within INGOs which have different rates of pay for Acehnese and for those who come from outside the province. All Indonesians should be given the same rate of pay, and where possible, agencies should have a policy of employing local people. There are also conflicts emerging as workers from outside the area are brought in to work on construction projects, ostensibly or actually because skilled Acehnese labour is not available. To address the issue of a low skills base locally, training schemes with recognised certification should be offered. Since some agencies will be in Aceh over the next two to five years, it is quite possible to offer full apprenticeships in some vocational skills.

• **Reduce the aid gap between ‘tsunami-affected’ and ‘non-tsunami-affected’ areas.**

The concept of ‘tsunami-affected area’ in some ways extends to all of Aceh. For example, the collapse of the local transport systems and markets has affected the agricultural sector across the province, further impoverishing residents of many conflict-ravaged areas. Many people outside the areas immediately affected by the tsunami now complain they are living in an ‘opportunity ghetto.’ Migration to tsunami-affected areas, where possibilities of employment, skills training and other opportunities exist, is causing a brain drain from non-tsunami-affected areas, many of which are now slipping into even greater poverty after having suffered the ravages of conflict. Donors should examine ways of expanding operations to include conflict-affected areas and ex-GAM communities.

• **Defuse social jealousy emerging around the issue of different types of housing.**

In consultation with local communities, adopt one or several appropriate models of house for one village. If possible, one housing provider-one village policy should be followed; where this is impossible, then donors and implementers operating in a community should strictly coordinate to ensure rough parity in size and quality of houses. At the same time, increasing recipients’ involvement in the planning and implementation processes will build ownership and may often lead to acceptance of non-essential and unplanned discrepancies.

• **Take steps to ensure that cash-for-work schemes are not exacerbating poverty gaps or creating social jealousy.**

Implementers must ensure not only that cash-for-work schemes are well-targeted and employ local people, but also that communities are clearly informed that such schemes do not represent long-term employment. Such schemes must be immediately followed by other livelihood initiatives. In some areas, it might be more prudent to offer tools for farming, fishing or other livelihood sectors in place of cash, thereby helping people secure resources that will help them to rebuild a sustainable livelihood.5

• **Prioritise efforts to address the policy gap vis-à-vis ex-renters and the landless for rehousing.**

The concentrated distribution of housing in certain areas, and for certain groups of people, is resulting in increasing levels of tension between and within communities. Of deep concern is the government's inability to come up with a concrete and long-term policy for those landless and ex-renters who are becoming increasingly distanced from their surrounding communities. The local government must establish dialogue with groups such as the landless and the ex-renters, in order to discuss policy options for the short, medium and longer term for these groups. Such policies should be implemented as quickly as possible.

• **Avoid individualistic approaches that erode traditional communal forms.**

Individualistic approaches to the distribution of food, housing, and livelihoods have resulted in inequities and not only created divisions between people affected differently by the tsunami, but are also breaking down the communal way of life that existed in many places in Aceh, in some areas even leading to conflict within communities. Donors and implementers should at least allow for, and if possible promote, group approaches towards housing and livelihoods, for instance through the creation of credit unions.
• **Integrate a conflict management perspective into all programmes.**

Particularly in destabilised environments such as Aceh, which is reeling not only from the effects of the tsunami but from years of civil war, development assistance has the potential to exacerbate existing social tensions and cleavages and to create new ones. Among the potential sources of conflict that our research has uncovered are: social jealousy within the tsunami-affected zone, both within and between communities (over housing, etc.); differences in economic opportunity between tsunami-affected and non-tsunami-affected zones; the creation of a black market for illegal goods (timber); and a dearth of programmes aimed specifically at assisting the reintegration of former fighters Aceh-wide and their support communities. Donors should conduct area-specific joint conflict vulnerability assessments to identify and prioritise potential causes of social conflict or threats to the peace agreement in Aceh, and determine not only how existing and planned reconstruction activities might be exacerbating the potential for conflict, but also how such activities can most effectively support local efforts to promote peace.

**Protecting the environment**

• **Take tough steps to reduce the use of illegally logged timber and to ensure that other construction materials come from environmentally sound and legal sources.**

Timber sourced from within Indonesia and accompanied by a certificate is not necessarily legal. The EC and others have said confiscated timber is one possible acceptable source of wood, but this is creating a seized timber market. Agencies should seek responsibly sourced timber from overseas wherever possible. Consultation and cooperation in sourcing alternative materials or foreign supplies of wood from sustainable sources could be enhanced through the timber working group, membership of which should be mandatory for all international and local implementing agencies, with sanctions imposed by back donors for non-compliance. Meanwhile, in several places there are visible signs of illegal quarrying to supply materials for the construction boom that is just beginning in Aceh. Agencies should ensure that the vast quantity of mountain rocks (batu gunung) being used in their projects come from quarry sites that are legal, environmentally sustainable and have proper quarry management. Support to traditional wood-fired brick kilns should cease, with training and socialisation in methods of making environmentally-friendly bricks being prioritised.

**Monitoring and evaluation**

• **Restructure the project and programme evaluation processes to include beneficiaries.**

In their reports to the public and in their evaluations, implementers often appeared more intent on promoting their own "brand" than on the needs of their beneficiaries. Most donors, management contractors and implementers engage in internal evaluations conducted by their own members of staff, or at best a consultant employed by them directly. These tend to be output-driven, and almost never include qualitative assessments by the beneficiaries themselves. The resulting evaluations are often not for public consumption or are modified before being made available outside the organisation. Allow independent evaluations to take place. Engage in participatory evaluation exercises whereby the beneficiaries are stakeholders in the evaluation process. This multi-level approach should begin at the design stage, and continue through implementation and interpretation of results. Make unabridged results of all evaluations available to all interested parties, especially beneficiaries.

• **Engage in more monitoring of local partners.**

The lack of regular and systematic monitoring of local partners by donors encourages mismanagement and leaves beneficiaries without recourse. When field visits do take place by donors, or management contractors, it is often found that programmes are not implemented to plan, or within a given time-frame, and that beneficiaries are dissatisfied and demoralised. Yet many of these findings do not appear in evaluation documents. A more systematic and structured practice of monitoring local partners, and in obtaining reports and field visits, will help to overcome these problems, as well as permitting information on problems and solutions to be shared.

• **Be responsive to changes in conditions and needs.**

In allocating funds and other resources to projects, there seems an unwillingness to embark on a process of continuing evaluation to assess whether and to what extent the existing project concept remains valid. Only the ADB spoke of reassessing requirements and downsizing particular programmes. It is imperative to undertake ongoing and continuing assessment of the changing project environment, and local needs. Resources allocated to projects should be altered according to need, and rapidly redeployed. All donors and implementing agencies should have the flexibility to abandon plans for programmes that are no longer needed and that might not be in the long-term interests of the communities they aim to help.
APPENDIX 1
DONORS AT A GLANCE

Multi Donor Trust Fund (MDTF)

The Multi Donor Trust Fund for Aceh and North Sumatra (MDTFANS, hereafter MDTF) was launched in April 2005 by the World Bank with the Indonesian government and fourteen other donor partners. The World Bank's International Development Association (IDA) acts as trustee and operates the secretariat. Donors include the European Commission (EC) and the governments of the Netherlands, the United Kingdom, Denmark, Norway, Canada, Sweden, Germany, the United States, Finland, Belgium, New Zealand and Ireland, in addition to the World Bank and the Asian Development Bank. The fund is governed by a Steering Committee co-chaired by the EC (the single largest donor), a representative from the Indonesian BRR, and a representative from the Fund’s trustee, the World Bank. Donors who have pledged over $10 million are voting members of the Steering Committee; there are also two local representatives of Aceh’s civil society (see page 11), and members from the Indonesian government, and from local government in North Sumatra and Aceh. As of 19 January 2006, $532.27 million has been pledged to the MDTF by 15 donors, including $245.33 million by the European Commission, $100 million from the Netherlands, $45 million from the UK and $25 million from the World Bank itself. While initially all the MDTF’s funds were planned to flow on-budget through Indonesian government financial mechanisms, newer projects include off-budget financing. In contributing to the Trust Fund, all agree to the general principles and priorities of the Fund; donors are not able to earmark funds for particular programmes.

Table: MDTF - Projects in tsunami-affected areas, Aceh and Nias

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Allocation</th>
<th>Focus Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconstruction of Aceh Land Administration System (RALAS)</td>
<td>$28.5 million</td>
<td>All tsunami areas, starting with Banda Aceh and Aceh Besar</td>
</tr>
<tr>
<td>Community Recovery through the Kecamatan Development Project</td>
<td>$64.7 million</td>
<td>Tsunami-affected kecamatans, with identified priority need.</td>
</tr>
<tr>
<td>Urban Poverty Program (UPP)</td>
<td>$18 million</td>
<td>Tsunami-affected urban villages, with identified priority need.</td>
</tr>
<tr>
<td>Technical Support for Badan Rehabilitasi dan Rekonstruksi (BRR) NAD-Nias</td>
<td>$14.7 million</td>
<td>Rehabilitation and reconstruction in Aceh and Nias</td>
</tr>
<tr>
<td>Community-based Settlement Rehabilitation and Reconstruction Project</td>
<td>$150 million in two phases: Phase I $95 million</td>
<td>Aceh and Nias</td>
</tr>
<tr>
<td>Tsunami Recovery Waste Management Program</td>
<td>$14.5 million</td>
<td></td>
</tr>
<tr>
<td>Aceh Forest and Environment Project</td>
<td>$14.5 million</td>
<td>Banda Aceh, Aceh Barat and other affected districts</td>
</tr>
<tr>
<td>Reconstruction and Rehabilitation of Ports, Phase I</td>
<td>$3.7 million</td>
<td>Calang, Sinabang and Gunung Sitoli</td>
</tr>
<tr>
<td>Flood Mitigation Program for Banda Aceh</td>
<td>$4.50 million</td>
<td>Banda Aceh</td>
</tr>
<tr>
<td>Sea Delivery and Logistics Program, Phase I</td>
<td>$24.6 million</td>
<td>Various ports</td>
</tr>
</tbody>
</table>
Asian Development Bank (ADB)

The ADB's total financial commitment to tsunami-affected countries to date is $851 million, which includes $175 million that can be redirected from ongoing projects and programs for the tsunami effort. The pledges are largely administered through the Asian Tsunami Fund.212

In total, the ADB's contribution to the tsunami-affected regions of Indonesia comes to over $390 million.213 The Earthquake and Tsunami Emergency Support Project (ETESP)214 was created in April 2005 with $290 million from the Bank's Asian Tsunami Fund and an additional contribution of $10 million to the MDTFANS. Taken together, the $300 million allocated is the largest single grant in the ADB's history. ETESP's two-phase programme is intended to restore essential public services, rebuild infrastructure and promote the resurgence of private economic activity. General areas of focus include livelihood restoration, community infrastructure, social services restoration, physical infrastructure, and fiduciary governance. The first phase addresses urgent priorities in disaster management, rehabilitation and reconstruction in some of the less devastated zones, including health, rural water and sanitation, irrigation and flood control, restoration of roads and bridges, local government capacity building, and spatial planning. The second phase will carry out disaster management and reconstruction activities in the most devastated zones. Work will include expansion of activities under Phase 1, restoration of community infrastructure, spatial redesign of affected zones, power and rural electrification, and public administration.215 Under ETESP, the ADB also gives support to the Indonesian Supreme Auditing Institution (BPK), as well as to the Ministry of Finance’s Banda Aceh office dealing with on-budget expenditure.

Meanwhile, the Community Water Services and Health Project (CWSHP) has been expanded to include a specific grant for Aceh and North Sumatra, from a total $ 81.2 million project allocation (throughout Indonesia), $16.5 million has been dedicated for tsunami affected areas. This grant, approved on 7 April 2005, will cover the rehabilitation and reconstruction processes and aims to encourage communities to design, build, operate and manage their own water and sanitation facilities. The CWSHP will be administered by the ABD and will last for four years. The Aceh and North Sumatra component of CWSHP will be co-financed by the UK’s Department for International Development ($7.5 million), Government of the Netherlands ($5 million), and the Canadian International Development Agency ($4 million). In addition, $64.6 million has been allocated for loan reprogramming. Thus far, 11 projects have been reprogrammed, with a resulting surplus of $64.4 million. The reprogrammed projects are in the agriculture and natural resources, health, education, transport and power sectors, and the funds will be used in the same sectors as the original projects.216 Most of the planned programmes described here have not yet begun due to ‘procedural delays’. Bottlenecks caused by bureaucratic processes meant that ADB’s role in reconstruction in 2005 did not meet its full potential. All parties, the ADB, the BRR, and the Indonesian government are working to overcome these problems for 2006.

Table: Asian Development Bank - Project commitments in tsunami affected areas Aceh and Nias.217

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETESP - Earthquake and Tsunami Emergency Support Project.214</td>
<td>$290 million</td>
</tr>
<tr>
<td>MDTF contribution</td>
<td>$10 million</td>
</tr>
<tr>
<td>Loan Reprogramming</td>
<td>$64.5 million</td>
</tr>
<tr>
<td>CWSHP - Community Water Services and Health Project $ 16.5 million</td>
<td>$16.5 million</td>
</tr>
<tr>
<td>Co-financing from other projects</td>
<td>$4.5 million</td>
</tr>
<tr>
<td>Technical assistance</td>
<td>$10 million</td>
</tr>
</tbody>
</table>
The Australian government rapidly approved a total of A$33.4 million ($25.5 million) for immediate relief to the Indonesian tsunami-affected regions, which contributed to coordination and transportation for relief efforts. Australian Defence Force and other government agency contributions to the immediate relief effort were further valued at A$37.4 million ($27.7 million).  

The Australian government, citing its special position as Indonesia’s nearest neighbor, announced on 5 January 2005 an additional relief and reconstruction package of A$1 billion ($741 million), to be disbursed over five years. The program is additional to Australia’s ongoing Development Cooperation and Defence Cooperation Programs, bringing aid to Indonesia to a total of A$1.8 billion ($1.33 billion) over the next five years. Of the funds, half are in the form of grant assistance; the remaining half are designated as low interest loans—a departure from the usual Australian practice of grant aid. While the package stipulates a priority for tsunami-affected regions, all areas of Indonesia are eligible for assistance. As of 8 December 2005, A$947 ($702 million) had been allocated to programs; of this, A$156 million ($115.6 million) has been committed to tsunami-affected areas, with the remainder allocated to projects elsewhere in Indonesia. Of the funds dedicated to the AIPRD Aceh and North Sumatra projects, A$23.7 million ($17.6 million) had been spent as of 30 November 2005. Programmes have so far focused primarily on restoring health and hospital services, rebuilding schools and revitalising higher education, repairing essential infrastructure, rebuilding communities, and re-establishing livelihoods. The funding is administered by the Australia-Indonesia Partnership for Reconstruction and Development (AIPRD). The AIPRD is in principle a partnership between the Governments of Australia and Indonesia, established through a bilateral agreement. Funding targets and disbursement are approved by joint ministerial meetings, the first of which was held in March 2005. However, AIPRD allocations are not disbursed through the Indonesian government’s budget, instead remaining off-budget; and with the exception of a grant to establish the BRR, projects are to be implemented directly.

Table: AIPRD committed funds.  

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aceh Rehabilitation Program to restore health, education and local government services</td>
<td>A$80 million ($59.2 million)</td>
</tr>
<tr>
<td>Community infrastructure</td>
<td>A$25 million ($18.5 million)</td>
</tr>
<tr>
<td>Livelihoods</td>
<td>A$5 million ($3.7 million)</td>
</tr>
<tr>
<td>Education, research and training</td>
<td>A$3 million ($2.2 million)</td>
</tr>
<tr>
<td>Temporary shelter technical assistance</td>
<td>A$3 million ($2.2 million)</td>
</tr>
<tr>
<td>Rebuilding schools in conflict-affected areas</td>
<td>A$10 million ($7.4 million)</td>
</tr>
<tr>
<td>Regional enterprise development</td>
<td>A$7 million ($5.2 million)</td>
</tr>
<tr>
<td>Aceh port</td>
<td>A$8 million ($5.9 million)</td>
</tr>
<tr>
<td>Humanitarian food aid</td>
<td>A$10 million ($7.4 million)</td>
</tr>
</tbody>
</table>
European Commission (EC)

European Commission post-tsunami aid to Indonesia has come to approximately €246.5 million ($293.6 million), of which €207 million ($173.8 million) has gone to the MDTF. Assistance from the European Commission plus the European Union member states constitutes 85% of the total funds at the MDTF’s disposal. The opening of Europe House in Banda Aceh has facilitated close guidance and monitoring of all Commission contributions.

Meanwhile, €39.5 million ($47 million) has been administered as humanitarian assistance, the Commission’s Humanitarian Aid department (ECHO) operates a rolling programme of decisions that have the flexibility to respond to changing circumstances. Humanitarian focus areas have included distribution of household items and hygiene kits; creation of centers to register, trace and reunify separated and/or unaccompanied children; assistance in rebuilding houses with materials and tools; water, sanitation and food aid for IDP camps; primary health services and psychosocial support; physiotherapy rehabilitation; livelihood assistance in fishing and agriculture; and additional assistance for 500,000 victims of the March 2005 aftershock in Nias. In addition, the EC has shown itself as sensitive to the conflict dimension in Aceh: in its 2005 aid strategy, ECHO had already identified assisting and protecting civilian victims of the conflict in Aceh and facilitating the return of IDPs to their homes or their resettlement and integration in new places of residence as a priority. The Commission’s Rapid Reaction Mechanism (RRM) has helped finance the mediation activities which led to the signing of the August 2005 peace agreement between GAM and the Indonesian government; the Commission views the successful reintegration of GAM former combatants as crucial to the reconstruction efforts and to sustainable peace, and has also committed funds to this programme.

Table: EC - Tsunami allocations in Aceh and North Sumatra

<table>
<thead>
<tr>
<th>Area</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>To MDTFANS</td>
<td>€ 200 million ($240 million)</td>
</tr>
<tr>
<td>Rapid Reaction Mechanism (RRM)</td>
<td>€ 7 ($8.4 million) of which €3.5 to MDTF</td>
</tr>
<tr>
<td>Humanitarian Assistance</td>
<td>€39.5 million ($47.5 million)</td>
</tr>
</tbody>
</table>
World Bank

Prior to the tsunami, The World Bank’s involvement in development programmes in Aceh began in 1998 with the Kecamatan Development Project (KDP) which promotes community based driven development (see page 12). The Bank has also, over the past few years, supported various peace initiatives in Aceh.

Immediately following the tsunami, the World Bank announced a grant of US$25 million for Indonesia. In February of 2005, the Bank further constituted the US$525 million dollar Multi-donor Trust Fund for Aceh and Nias (MDTFANS), bringing together 15 donors to support a common set of post-tsunami programmes. By December 2005, the Bank had disbursed $87.5 million.

Since the tsunami, the KDP’s urban counterpart, the Urban Development Project (UPP), has also been introduced into Aceh. As of December 2005, KDP and UPP programs are implemented by a network of 1,450 facilitators who work in 6,000 villages assisting communities in Aceh (including Nias Island). The Bank’s work is now comprised by the following four tsunami related components:

- Debt restructuring: In January of 2005 the World Bank restructured its loan programmes to Indonesia, freeing up much Government money which could be utilized in the reconstruction process. This has actively assisted funds being directed to the provincial Government in Aceh.

- KDP - Ongoing before the tsunami, the World Bank remained one of the very few donors operating in Aceh. Restructuring the Community Driven Development Programs through the allocation of US$40 million in soft loans, with the addition of US$13.5 million from CIDA, DFID and USAID for the KDP program aimed to provide 6,000 village communities with access to infrastructure and governance support grants. Other restructured programs include the UPP and Support for Poor And Disadvantaged Areas Widow's children ($7.8 million).

- Post conflict reconstruction - The World Bank was one of only a few international organisations working on development programs in Aceh prior to the signing of the Helsinki peace accord on 15 August 2005. The World Bank has been working on the socialisation of the MoU between GAM and the Indonesian government by creating 80,000 posters to familiarise communities with the MoU. It is also providing assistance in targeting reintegration benefits; to ensure that intended financial benefits from the Government reach GAM combatants, political prisoners and conflict victims and is monitoring incidents of extortion.

- Technical Assistance: In addition to its grants and loans, the bank has provided technical and analytical advisors, working with the BRR providing up to 45 international experts financed by grants. The Bank has also carried out a series of baseline studies on the impact of the tsunami, the relief effort and the reconstruction program to date. These include the Damage and Loss Assessment Report an assessment titled Conflict and Recovery in Aceh which examined the options for stabilizing the peace process through development initiatives.

<table>
<thead>
<tr>
<th>Projects</th>
<th>Total Amount Committed to Date</th>
<th>Disbursement in December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank Projects</td>
<td>$17.20 million</td>
<td>$7.20 million</td>
</tr>
<tr>
<td>MDF Projects</td>
<td>$225.40 million</td>
<td>$76.00 million</td>
</tr>
<tr>
<td>Grants, Donor Co-financed Projects</td>
<td>$21.30 million</td>
<td>$4.30 million</td>
</tr>
<tr>
<td>Total</td>
<td>$263.90 million</td>
<td>$87.50 million</td>
</tr>
</tbody>
</table>

Notes

1 This report does not address the relief, rehabilitation or reconstruction efforts in Nias, North Sumatra.
2 This report does not address the relief, rehabilitation or reconstruction efforts in Nias, North Sumatra.
3 All dollar figures are U.S. dollars unless otherwise noted.
6 Data from United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA), June 2005.
7 Data from Department of Urban Resettlement, Banda Aceh, August 2005.
9 BRR et al., Aceh and Nias, One Year After the Tsunami, the Recovery Effort and Way Forward, December 2005.
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