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Rebuilding Lives in Aceh and Nias, Indonesia

The Earthquake and Tsunami Emergency Support Project (ETESP) for the rehabilitation and reconstruction of Aceh and Nias has been under implementation since June 2005. ETESP is financed by a \$291 million grant financed by the Asian Tsunami Fund and a \$3.5 million grant from the Government of the Netherlands. The Government of Indonesia's Rehabilitation and Reconstruction Agency (BRR) is the Executing Agency for ETESP.

Project design

The overall goal of the ETESP is to help rebuild the regions affected by the earthquake and tsunami and support their economic revival. Its purpose is to facilitate economic revival in the affected regions by restoring livelihoods, and alleviate constraints resulting from the lack of public goods and facilities by restoring essential public services and rebuilding infrastructure. To meet critical rehabilitation and reconstruction needs in a flexible manner, the ETESP was designed as a multisector project facility with 12 components under five principal sector groupings as follows:

- **Livelihood restoration** Rehabilitate the agriculture and fisheries sector, the mainstay of a majority of the Acehnese, and revive micro and small enterprises
- **Social service provision** Rehabilitate and reconstruct health and education facilities
- **Community infrastructure** Provide water and sanitation facilities, rebuild irrigation infrastructure, and rehabilitate and reconstruct the damaged and lost housing stock within an integrated community development framework
- **Physical infrastructure** Rebuild damaged roads and bridges, restore power supply, support sound spatial planning, and strengthen environmental management systems
- **Fiduciary governance** Ensure sound oversight of development partner fund utilization in the overall rehabilitation and reconstruction process, and facilitate effective delivery of ETESP support.

ETESP's sector project approach facilitates designing of subprojects based on feasibility studies and community



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consultations. This ensures that ADB can effectively coordinate ETESP components with support provided by other development partners. Through comprehensive consultations with BRR, other development partners, and stakeholders; and taking into account lessons learned during implementation, feedback from the field, and economic factors, including inflation, ETESP has undergone several adjustments in terms of allocation, scope, and geographic focus.

Coordination with development partners and their programs

ADB and BRR have maintained close coordination with major development partners, including nongovernment organizations (NGOs), to ensure that the various support programs are complementary. For instance, during the emergency period, Mercy Corps was entrusted to channel grant assistance for livelihood restoration activities. Part of the ETESP housing program is being executed by UN-Habitat and four NGOs—Cordaid, German Agro Action, Help eV and Muslim Aid.



Housing component

Two years after the disaster of the December 2004 tsunami and the March 2005 earthquake, the housing sector has shown significant progress; however, gaps still remain. The housing sector suffered nearly \$1.4 billion in damages, which accounts for more than 30% of the overall loss. Hence, housing requires the greatest effort in restoring the province to its pre-disaster state, and poses the greatest challenge to the development partners, international agencies, and NGOs involved in this immense task of reconstruction. Housing requirements remain at 128,000¹ new houses and rehabilitation of nearly 85,000 damaged homes.

The ETESP Housing Component has a budget of \$73 million, and was envisaged to finance construction of about 6,500 new housing units; rehabilitation of about 2,500 damaged units; and provision of essential infrastructure. Geographically, the housing component was to cover Banda Aceh, Aceh Besar, Aceh Barat, Simeulue Island, Sabang Island, Pidie, Lhoksumawe and Nias Island.

Key features of the ETESP program include the following:

- No house constructions until land and property rights have been secured.
- Type-36 square-meter standard houses with anti-seismic construction standards and quality construction as per BRR guidelines.
- Both renters and squatters are included as an integral part of the housing program.
- Thorough validation and verification of beneficiaries and cross-checking of data with the BRR housing database is to be undertaken to ensure construction or repair of only one house per household.
- Design and provision of community infrastructure including access roads, water and sanitation services, drainage, and landscaping is included.
- Partnerships with major NGOs, including Cordaid, Help eV, Muslim Aid, German Agro Action, and UN-HABITAT, are to be used for the off-budget housing program.
- All housing commitments to be fulfilled by 30 June 2008

Bottlenecks

- **Beneficiary validation and verification** The amount of time required to assess and validate beneficiary claims turned out to be greater than anticipated.



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- **Land tenure and ownership** Reconstitution of land tenure and titles has been slower than expected.
- **Damaged land** Nearly 12,000 families² will require relocation as a result of permanent flooding of former housing sites and other topographical changes.
- **Construction materials and costs** Price hikes of more than 200% for building materials and lack of quality supplies have reduced the housing unit targets of international agencies and NGOs by more than 50% in many cases.
- **Lack of adequate infrastructure** A significant amount of housing construction has proceeded in the absence of basic services (water supply, drainage, sanitation, power and lighting, roads, and solid waste disposal).

Three-year results

The commitment to meet total housing requirements appears to be weakening. Several NGOs and other implementing agencies are failing to make commitments to undertake further housing projects due to lack of funds and downsizing of their operations.³ As of September 2008, a total 116,200 houses had been completed⁴ out of a total of 128,000 required. This puts the housing reconstruction effort at about 90% of the total requirement, which leaves 12,000 new houses still to be constructed.

¹ Source: BRR Deputy for Housing & Settlement office

² Source: F. Steinberg. 2007. Housing Reconstruction and Rehabilitation in Aceh and Nias, Indonesia—Rebuilding Lives, in: *Habitat International*, Vol. 31, 2007, pp.150–166.

³ Source: BRR Housing & Settlement staff calculations.

⁴ Source: BRR RAND (reconstruction database) update.