



# THE POWER OF PARTNERSHIPS

The Multi Donor Fund in  
Post-Disaster Aceh and Nias

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VUE D'ACHEM



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The Multi Donor Fund in Post-Disaster Aceh and Nias





**AN EFFECTIVE PARTNERSHIP**  
Steering committee co-chairs in Banda Aceh, June 2012. The Steering Committee was the decision making body of the MDF, co-chaired by the Government of Indonesia, the Government of Aceh, the World Bank, and the European Union. Initially, the Government of Indonesia was represented by the Agency for the Rehabilitation and Reconstruction of Aceh and Nias (BRR). After April 2009, it was represented by the National Planning Agency (Bappenas).

## Foreword

Few countries are tested as Indonesia was when the December 2004 tsunami struck. In the space of a few hours, Indonesia lost over 200,000 people. Over a half million more were displaced, in urgent need of food and shelter. Thousands more lost their livelihoods.

But the Indonesian government rose to the challenge, setting in motion one of the largest reconstruction efforts the world has ever seen. The task was immense. A total of \$6.7 billion was contributed to the reconstruction effort by donors, NGOs, and the Indonesian government itself. Managing these funds and the many players involved required good planning, sound financial management, and ability to direct resources where and when they were most needed. Today, the reconstruction effort is considered a great success, and offers valuable lessons on disaster management.

The Multi Donor Fund for Aceh and Nias (MDF) played a key role in implementing the government's reconstruction efforts.

Managed by the World Bank, the MDF was more than simply a trust fund. It was also a partnership that included national and local governments, donors, civil society, and communities. The MDF implemented a robust model for managing disaster response and reconstruction, pioneered approaches that drew on the inputs and energy of disaster survivors, and addressed issues facing beneficiaries as they evolved over time. The MDF also served as a knowledge exchange for the benefit of disaster recovery efforts elsewhere in Indonesia and the world.

This book tells the story of the MDF in Aceh and Nias' recovery in pictures, each photograph drawing attention to the many lessons we have learned along the way. Disasters will always be a part of the human experience. We hope, however, that what we have learned through our shared experience in Aceh and Nias will not only help others prepare for disasters, but also serve as a reliable guide for managing future reconstruction efforts.

Armida S. Alisjahbana  
STATE MINISTER FOR  
NATIONAL DEVELOPMENT  
PLANNING

Zaini Abdullah  
GOVERNOR PROVINCE  
OF ACEH

Stefan Koeberle  
COUNTRY DIRECTOR  
WORLD BANK

Julian Wilson  
HEAD OF DELEGATION  
EUROPEAN UNION

“The human suffering was unprecedented, and the economic cost staggering. If there was ever a time for urgency, a time for decisiveness, this was it.”

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## Preface

There is no shortage of written material about the tsunami and earthquakes that devastated Aceh and Nias in 2004 and 2005. The Indonesian government, the World Bank, the United Nations, and many others have published plenty of studies, analyses and reports on the disaster and its aftermath. There is much to be learned from these materials—disaster experts, governments and relief organizations are already putting them to good use.

But it is difficult for most of us to understand the impact of such terrifying disasters through reports and figures. We cannot really imagine what it means to lose 200,000 people in the space of a single morning. Nor do figures truly convey the huge effort that went into the reconstruction. Knowledge gained from reports and figures will not tell us what it was like to see your world torn apart, or to take part in the long, slow process of putting it back together.

We can read the reports and hear the stories, but to understand more deeply, we need to see for ourselves. Pictures are much better at conveying the depth of personal tragedy, the impact of total devastation, and the sheer magnitude of the reconstruction. Through images, we can understand the joy survivors felt when they moved into new homes, rebuilt with their own hands, and feel the satisfaction which comes when economic opportunities enable people to prosper.

The Multi Donor Fund—a partnership between the Indonesian government, donors, development partners, NGOs and others—played a major role in the reconstruction effort. Through the pictures in this book, we want the reader feel the impact of what the people of Aceh and Nias went through; the tragedy they experienced, the challenges they faced, and how they rebuilt their lives and communities with support from the Multi Donor Fund. We want to show you what the power of partnerships can do.



View from Geurute Mountain, Aceh Jaya.  
A village here was swept away by the tsunami.

## Introduction

Banda Aceh today is a bustling city. The downtown area is bursting with shops, selling everything from embroidered dresses to motorbike parts. Cafés and restaurants are full of people talking over meals or tapping out messages on their phones. The streets are newly-paved, with freshly-painted lines to keep the traffic—especially the unruly swarms of motorbikes—flowing smoothly. Banda Aceh is very much alive.

But it hasn't always been like this. Seven years ago the very same streets, the very same neighborhoods, were utterly devastated. It took one of the biggest reconstruction efforts in history—smart planning, good organization, hard work, unprecedented international cooperation, and \$6.7 billion—to get to this point.

The Multi Donor Fund—better known as the MDF—was a highly successful partnership that supported the recovery of Aceh and Nias after the devastating 2004 tsunami and 2005 earthquake. Led by the Indonesian government with support from donors, international agencies, civil society, and local communities, the MDF played a big part in turning

an unprecedented tragedy into one of history's greatest humanitarian successes. MDF projects rebuilt thousands of homes, repaired and expanded infrastructure, and built a foundation for economic growth. It improved local governance, brought women into the decision making process, and protected the environment. It pioneered new approaches to disaster response by building effective partnerships and tapping into the strength of communities.

This book tells—or rather, illustrates—how the MDF played its part in the reconstruction of Aceh and Nias.

**REVITALIZED**  
Both Aceh and Nias have returned to bustle and activity since the difficult days following the tsunami. The reconstruction effort provided homes, rebuilt infrastructure, and provided economic opportunities.





## DISASTER

On an early Sunday morning in December 2004, a huge earthquake shook Banda Aceh, the capital of Indonesia's northernmost province. The ground shook so violently that people had trouble staying on their feet; many sat on the ground until it passed. Buildings and houses cracked; some of them collapsed.

After the earthquake, rescue teams moved into action to help victims. They didn't realize that the earthquake was nothing more than a prelude to a much more devastating disaster.

It didn't take long. About 30 minutes later, the citizens of Banda Aceh saw the end of their city as they knew it. Black, churning seawater forced its way through the streets, slowly at first, pushing shattered timber, trees, furniture, vehicles, and other debris along with it. People took refuge where they could, on the upper floors of buildings, in trees, in Mosques. Many just ran, hoping to outpace the water. But some weren't fast enough—they were caught up in the surge, crushed by debris or pulled down into the grinding, murky water.

This wasn't just a flood. It was the deadliest tsunami in history. The earthquake had triggered huge tidal waves that fanned across the Indian Ocean, striking 14 countries. According to the United States Geological Survey (USGS), a total of 286,000 people were killed. Thailand, Sri Lanka and India suffered significant losses of life, but no country suffered more than Indonesia. In Aceh alone, 221,000 people were killed or missing, and over a half million were left homeless.

Banda Aceh had been battered, but along the coast things were much worse. There, gigantic waves moving at tremendous speed swept everything away. Homes, schools, entire communities simply disappeared. When it was over, the landscape was covered in wreckage and debris. Cars were battered and crushed, shattered houses lay in pieces. Boats were left in the middle of city streets and on top of buildings. And then there were the bodies. Thousands of Acehnese—children, grandparents, people of all ages—were left broken, drowned and crushed, tossed in with the debris and carried to wherever the water took them.

The scale of the disaster left the local authorities paralyzed. Government offices were destroyed; roads were impassable, hospitals dysfunctional. Telephones stopped working. Food and drinking water were suddenly in short supply. Thousands of people were injured and needed help. Hundreds of thousands more no longer had homes, and didn't know where to go or what to do.



### Damage Statistics in Aceh

221,000 killed or missing in Aceh alone  
635,000 displaced; hundreds of  
thousands lost livelihoods  
140,000 houses destroyed  
Damage estimated at \$4.5 billion





#### Damage Statistics in Nias

Over 800 killed  
\$392 million in damage  
Thousands of people homeless



#### Another Disaster in Nias

On March 28, 2005, another earthquake struck the island of Nias, which lies 130 kilometers off the western coast of Sumatra. It had also been affected by the earthquake and tsunami, but the damage there was much less severe—about 120 people died. The impact of the second earthquake was much worse. At least 850 people died, and thousands more were left homeless. Approximately 30 percent of buildings were destroyed, causing nearly \$400 million in losses. Transportation and other critical infrastructure were heavily damaged, leaving the population without power or water. Frequent aftershocks kept the population on edge.

The distinct, traditional wooden houses of Nias, built on pillars and earthquake-resistant, largely survived. But even so, the disaster dealt a blow to the island it could hardly afford. Nias has always been disadvantaged by its isolation. Distance, combined with poor transportation links, makes the island difficult to reach—a trip by ferry takes about 10 hours. Inputs necessary for modern farming, construction or light industry add to production costs, and outputs cannot compete with cheaper products elsewhere in the country.

Nias had also suffered from internal isolation. The road network within the island itself was in such poor condition that moving people or goods from one village to another was a time-consuming affair. This problem further isolated communities from each other and limited local economic opportunities, compounding the problem. The disasters—both the tsunami and the earthquake—put a fragile society in even greater danger. But they also drew the attention of the entire world, giving Nias an opportunity to engage with the rest of Indonesia and the global community.

#### A Challenge for Indonesia

The disasters presented an enormous challenge to the Indonesian government. Although natural disasters are common in Indonesia, the country had never faced destruction on such a large scale. The human suffering was unprecedented, and the economic cost staggering. If there was ever a time for urgency, a time for decisiveness, this was it.





**ACEH IN BRIEF**

Located on the northern tip of Sumatra  
 Capital city: Banda Aceh  
 Population of 4.5 million  
 Suffered from three decades of conflict  
 98 percent Muslim



**ACEH & NIAS**

**Aceh in Context**

Aceh is an autonomous province at the northern tip of Sumatra with a unique place in Indonesian history. For centuries, the Sultanate of Aceh was a powerful force in the region. In 1873, the Dutch invaded the province, triggering resistance that lasted for decades. The Japanese briefly took over the province during World War II. After the war, Indonesia declared independence, and Aceh was incorporated into the new republic.

Aceh's population of nearly 4.5 million is over 98 percent Muslim. Islam was introduced to the region by Arab traders and was firmly established there by the 16th century. Known as the "Veranda of Mecca," Aceh is considered the gateway of Islam to Indonesia.

The province lies along important trade routes and is rich in natural resources. Historically, oil, gas and mining have formed the backbone of its economy, followed by agriculture and

fisheries. These advantages might have made Aceh prosperous. But decades of isolation and conflict kept it from reaching its potential.

**Cut off by Conflict**

In 1976, a rebel movement, Gerakan Aceh Merdeka (GAM), declared independence and fought intermittently against the Indonesian army until the tsunami struck. Although it never developed into a full-scale war, the conflict had a devastating impact on Aceh. Almost 15,000

people were killed and the region became economically isolated. The impact on livelihoods was significant. Farmers in conflict areas were unable to harvest their crops, and people throughout the province had limited access to markets.

The sheer scale of the disaster made peace the only realistic option. A formal peace agreement between GAM and the Indonesian government was signed in August 2005, and



a former GAM leader, Irwandi Yusuf, was elected governor. Power was transferred peacefully in April 2012, when another key former GAM leader, Zaini Abdullah, was elected.

The end of the conflict was a positive development for Aceh—without it, recovery from the tsunami would have been impossible. But disaster recovery in a post-conflict context would be no easy task, and Aceh would not be able to do it alone.

#### **Nias in Isolation**

Nias is an island off the western coast of Sumatra with a total population of about 750,000. Fisheries and farming—mainly rubber and cacao—make up most of its economic activity, along with some tourism in the south. However, its isolation and poor infrastructure limited access to both internal and external markets, leaving much of the population in poverty. The island's isolation has also contributed to a unique culture and traditions. Most of the population is Christian, but retains many traditions from its pre-Christian history. Nias is known for distinctive wooden houses built on pillars, colorful festivals, and, to the outside world, outstanding surfing.

Poverty and geographical isolation left Nias in a fragile state. With no comparative advantages, developing the economy and emerging from poverty remain stubborn problems. The destruction from the earthquake added a huge burden to an already-struggling population; it was not clear how Nias would manage to get back on its feet.



#### **NIAS IN BRIEF**

Located on off the northwestern coast of Sumatra  
Capital city: Gunung Sitoli  
Population nearly 800,000  
Economy based on agriculture and fisheries  
World-class surfing  
Predominantly Christian



#### **ISOLATION**

Wooden footbridge in Nias. The isolation of the communities on the island limited economic opportunities and contributed to a high poverty rate.



Remains of a house destroyed by the tsunami.

## THE AFTERMATH

The Indonesian government acted quickly. President Susilo Bambang Yudhoyono declared a national disaster and ordered immediate assistance. Soldiers who had been sent to Aceh to contain separatists found themselves helping victims instead. Shortly after the disaster, the government opened Aceh to the outside world, allowing the relief effort to take on global dimensions.

Nias faced similar problems with displaced people, heavily damaged areas, and a lack of food, water, and shelter. For many, medical care was an overwhelming need. Post-disaster mobilization in Aceh meant that the resources and organization necessary for disaster response was already available. The island's remoteness made it hard to reach, but relief began to arrive within one day of the disaster. These quick, initial efforts helped save many lives. But it was clear that a long-term, coordinated effort would be needed to help Aceh and Nias recover.

## Reconstruction Begins

Within weeks of the disaster, the Government of Indonesia's National Planning Development Agency, Bappenas, led a damage assessment effort with support from the international donor community. Its findings put hard numbers on the catastrophe, making it possible to plan and execute a reconstruction strategy.

Estimated damages in both Aceh and Nias totaled nearly \$5 billion, including houses, businesses, public buildings and infrastructure. With farms, fishing boats and transportation networks destroyed, many people lost the means to make a living. There was also a huge amount of environmental damage. Debris lay everywhere. Arable land was contaminated with salt; coral reefs and mangroves were ripped up. Survivors had to endure more than personal tragedy and material losses—they also had to worry about their immediate survival in a world where absolutely nothing was working.

## Government Takes the Lead

The disaster showed the world extraordinary human suffering. But it also showed extraordinary human generosity—donations streamed in from all over the world. Total assistance pledged by the Indonesian government and international donors reached \$6.7 billion. Hundreds of organizations began working to rebuild Aceh and Nias.

Responsibility for leading the reconstruction effort had unexpectedly fallen to the Indonesian government, which created the Agency for the Rehabilitation and Reconstruction of Aceh and Nias (BRR) to manage and coordinate the process. From the beginning, BRR announced that its goal wasn't just to rebuild, but to "build back better."



**COLLABORATION**

Multi-donor trust funds are financing mechanisms that pool contributions from many donors to support an agreed program of activities. They have proven to be effective instruments for cooperation in post-disaster situations.

**THE MULTI DONOR FUND**

In early 2005, the Indonesian government requested the establishment of a multi donor fund to support the reconstruction of Aceh and Nias with the World Bank as its trustee. Fifteen donors contributed to the MDF, providing grants totaling \$655 million. The MDF’s mandate was initially set to end on June 30, 2010, reflecting a long-term commitment to Aceh and Nias. Later, it was extended until December 31, 2012.

Multi donor trust funds already existed as a mechanism for donors to pool their funds and resources, improving efficiency and coordination. The benefits of this model to the Indonesian government were clear—it could deal with a single body rather than many; pooled funds would be easier and cheaper to administer; and resources could be focused where they were most needed in line with government strategy. For donors, the model offered a transparent, cost-efficient way to put their funds into action quickly.

**Making Partnerships Work**

For the MDF to succeed, it was important that the government, donors, and other stakeholders have an inclusive mechanism for discussing issues and agreeing on decisions quickly. The basic system drew from existing World Bank governance models, but was expanded to include other players in the overall reconstruction effort.

A key part of the MDF’s governance structure was its Steering Committee, which consisted of

representatives from the Indonesian government, the World Bank, donors, and civil society. Its role was to coordinate with all stakeholders, agree on a common approach and strategy, work out policies and procedures, and ultimately approve projects.

A Secretariat managed by the World Bank provided the organization and administrative backbone to manage the overall program—reporting, monitoring and evaluation, financial management and communications. This inclusive governance model was the foundation of the MDF’s success.

**Sequencing the Evolving Needs of Survivors**

Once the immediate response was over—burying the dead, providing food, water, temporary shelter and medical care to survivors—the government’s strategy was to rebuild Aceh and Nias over the long term, taking into account the changing needs of survivors throughout the recovery process.

The MDF followed a phased approach which closely mirrored this strategy. First, it rebuilt homes, communities and local transportation services. The next phase concentrated on major infrastructure work to provide transportation, water and sanitation, waste management, and other public services. Efforts to improve government’s capacity to deliver public services and manage environmental impact began in tandem. Finally, the focus turned to economic development and disaster preparedness.



The MDF’s donors were the European Commission, the Netherlands, the United Kingdom, the World Bank, Sweden, Denmark, Norway, Germany, Canada, Belgium, Finland, the Asian Development Bank (ADB), the United States, New Zealand and Ireland.



## ACHIEVEMENTS

The MDF's contribution to the successful reconstruction of Aceh and Nias was significant. It financed physical reconstruction, including houses, roads, ports, water treatment facilities, and thousands of rural infrastructure assets. It enabled a diverse partnership to create new approaches for post-disaster reconstruction and build prosperous, resilient communities.

The MDF model did not treat beneficiaries as passive recipients of aid, but as active participants in the reconstruction process. The MDF also fostered a culture of disaster preparedness, giving people the power to help themselves in the event of future disasters. Finally, it laid the groundwork for the economic development of Aceh and Nias, an effort which will provide ongoing benefits long after the MDF's work is finished.

### Rebuilding

Coordination by the Indonesian government through the BRR ensured that the MDF did not duplicate the efforts of other development organizations. Its contribution to the physical rebuilding of Aceh and Nias was significant, complementing the reconstruction efforts of the Indonesian government and other donors.

The MDF rebuilt or rehabilitated:

- Nearly 20,000 houses
- Over 3,000 km of village roads
- Nearly 10,000 local infrastructure projects, including wells and irrigation channels
- Over 1,200 public buildings, including schools
- Five national and international ports

### A Model for Post-Disaster Reconstruction

The MDF's model for post-disaster reconstruction and development was a proven success. It created a structure enabling different stakeholders—from government to donors to beneficiaries—to work together to plan, finance and implement successful projects. Lessons from the MDF were successfully adopted by the Java Reconstruction Fund, another multi donor trust fund, after the 2006 earthquake and tsunami, and later, the eruptions of Mt. Merapi. Other countries, including Haiti and Pakistan, studied the MDF model when planning their own post-disaster strategies.

### Community-Based Decision Making

A key innovation implemented by the MDF was to involve local communities in projects, from planning to building. In many disaster scenarios, survivors play little role in rebuilding their lives—they wait for assistance to come to them. But in Aceh and Nias, community leaders and groups, including women, had direct input in planning. For example, they collectively decided where to build their villages and what local infrastructure to build. This approach led to better reconstruction decisions, higher beneficiary satisfaction, and lower costs. This community-based approach for building housing and local infrastructure has been formally adopted by the Indonesian government as part of its disaster response policy.



### PARTNERS

Pak Teuku Setia Budi, the Provincial Secretary of Aceh Province, with Shamima Khan, Manager of the Secretariat of the MDF. The Secretariat, managed by the World Bank, provided organizational and administrative support for MDF activities.



**LIVELIHOODS RESTORED**

Rosmawar was able to set up her own kiosk and buy some land with a microfinance loan obtained through the MDF. Many women used microfinance capital to set up their own small businesses.

**Disaster Risk Reduction**

In a country prone to natural disasters, teaching the population how to respond when earthquakes, tsunamis or other natural disasters strike can greatly increase chances for survival. Disaster risk reduction was embedded in most MDF projects. Several projects focused on disaster risk reduction exclusively, with activities such as building and marking escape routes, teaching schoolchildren what to do during earthquakes, and establishing a permanent tsunami research center at Syiah Kuala University in Banda Aceh. The MDF helped the Indonesian government develop an entire curriculum on disaster risk reduction that has been adopted as official policy and applied nationally.

**Beyond the MDF**

Empowering people and government was one of the MDF's greatest accomplishments. Local communities learned new skills and can now take responsibility for their own development, using proven methods which give a voice to all members of society. Government gained the knowledge and tools to plan for future

disasters, manage disaster response projects, and administer public services. But the MDF model also recognized that long-term disaster reconstruction must include economic development if communities are to thrive. The MDF strengthened key economic sectors in Aceh and Nias such as cocoa, coffee, fishing and agriculture, providing thousands of people with new livelihoods.

The MDF demonstrated what the power of partnerships can accomplish. It aligned a group of donors behind the Indonesian government to tackle an extraordinary challenge—rebuilding Aceh and Nias after horrific natural disasters—and did so efficiently, effectively, and transparently. And it also had the full engagement of local governments and communities. The lessons identified during this seven-year journey will prove invaluable to future victims of natural disasters in Indonesia and elsewhere.

Materials are being shared online as they are developed at [www.multidonorfund.org](http://www.multidonorfund.org).



Acehnese Saman Dancing



CHAPTER I



## Disaster Strikes Aceh and Nias

On Sunday morning December 24, 2004, an earthquake struck Aceh. Thirty minutes later a deadly tsunami scoured the coastline.

The tsunami appeared without warning and left over 200,000 people dead or missing in a matter of hours. Just three months later, on March 28, 2005, an earthquake devastated Nias, an island off the west coast of Sumatra, killing nearly 1,000 people and causing widespread destruction.

The depth of human suffering and loss incurred by these disasters was unimaginable, and made worse by the physical hardships imposed on the survivors. The damage to housing and

infrastructure, the lack of the basic necessities of life, and the abrupt loss of livelihoods left survivors endangered and vulnerable.

The government of Indonesia responded with a successful reconstruction effort, one of the largest in history, in partnership with donors and relief agencies from around the world. Overall support for reconstruction totaled \$6.7 billion.

### LEADERSHIP

The Indonesian government, with support from its partners, led one of the biggest and most successful disaster reconstruction efforts in history.





#### IN THE PATH OF DISASTER

The epicenter of the earthquake that triggered the tsunami lay 250 kilometers off the west coast of Sumatra, 30 kilometers beneath the ocean floor. At 9.1 on the Richter scale, it was one of the most powerful earthquakes in over 100 years. The earthquake triggered the deadliest tsunami in recorded history, striking 14 countries and killing 286,000 people, some as far away as East Africa. Indonesia had the most victims, with 221,000 people killed or missing.

-  **Epicenters of Earthquakes**
-  **Banda Aceh, Capital of Aceh Province**
-  **Gunung Sitoli, Capital of Nias**

Several months later, on March 28, 2005, an 8.6 magnitude earthquake struck near Nias, 130 kilometers off the west coast of Sumatra. At least 850 people were killed and thousands were left homeless. Although not as deadly as the Aceh tsunami, the earthquake caused widespread damage throughout Nias and nearby Simeulue Island.



#### FIRST RESPONSE

Indonesian soldiers were among the first to react to the catastrophe, clearing away debris and providing aid to a shattered population (left).

#### DEVASTATION

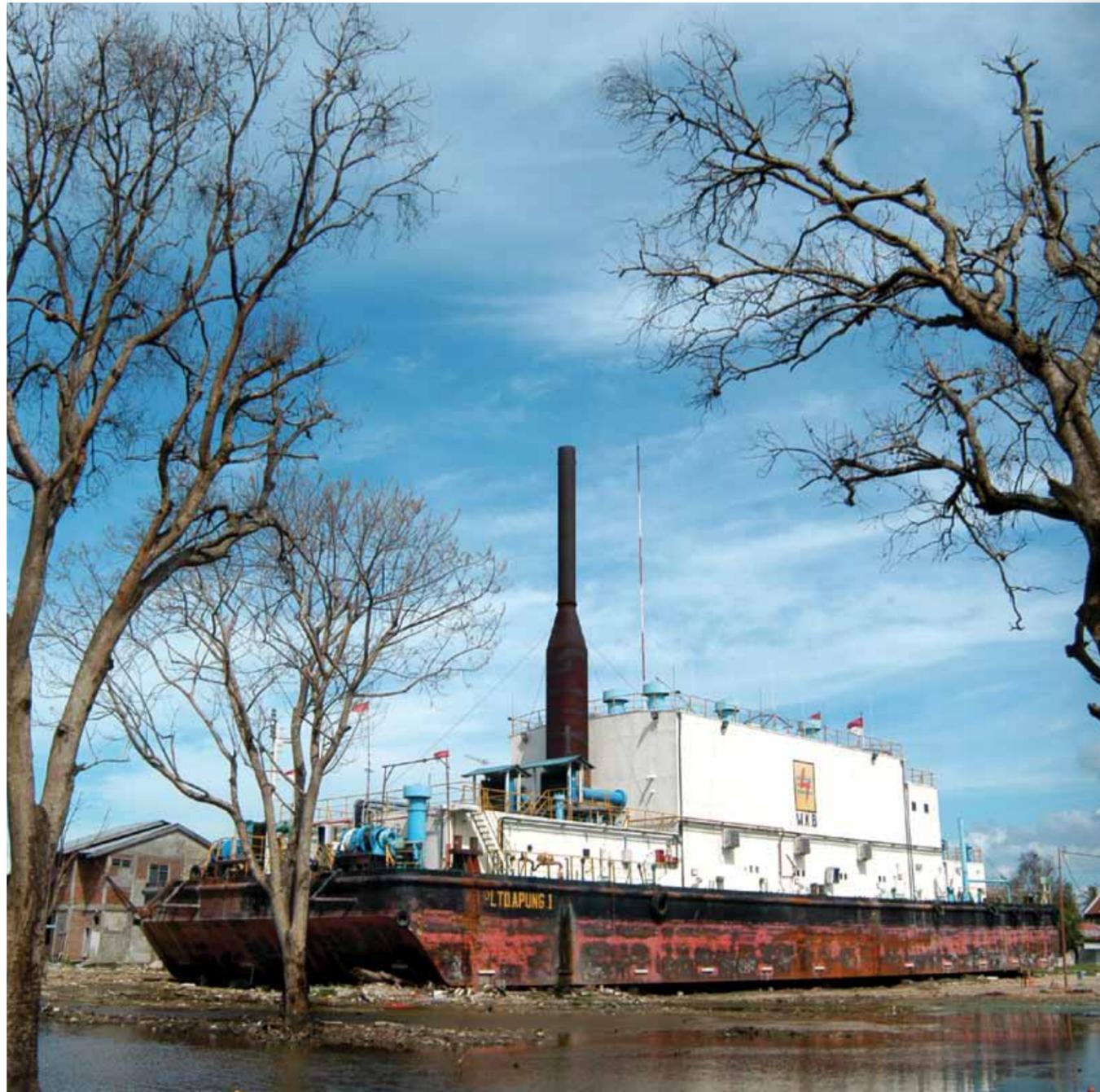
Debris lay scattered throughout Pasar Aceh in the business district of Banda Aceh (top left). The tsunami reached the center of the city of Banda Aceh, several kilometers from the shore. Many people were saved by taking refuge in the city's Grand Mosque. They could only watch helplessly as the torrent raged through the streets, carrying debris—and victims—along with it (top center).

A woman walks by an upturned vehicle and debris in Meulaboh, the capital of Aceh Barat (top right). Located on the west coast of Aceh, Meulaboh was badly hit by the tsunami.

**LHOKNGA, ACEH BESAR**

The power of the tsunami was strongest at the shore, where it snapped coconut trees in half like toothpicks. Entire villages by the ocean were swept away in minutes. Lhoknga, a town on the outskirts of Banda Aceh, was completely destroyed.





#### THE TSUNAMI'S POWER

Few reminders of the tsunami are as powerful as the PLTD Apung 1, a 2,600 ton power-generating barge that was left in the middle of a residential neighborhood several kilometers from shore (left). Today the ship serves as a memorial to the tragedy and has become one of Banda Aceh's most famous landmarks.

#### SURROUNDED BY DEATH

Soldiers begin the gruesome job of removing corpses from the debris (top left). The thousands of bodies left behind by the tsunami posed a serious health risk to the surviving population. Many victims were never identified and were buried in mass graves.

#### HUMAN SUFFERING

Many survivors of the tsunami experienced unfathomable grief and hardship. Besides the lack of food, water and shelter, they had to cope with the deep emotional pain of losing loved ones. Many survivors spent days, even weeks, looking for lost relatives in the hope that somehow they would be found alive (top right).



A damaged mosque, once surrounded by houses, stands alone in the tsunami-ravaged village of Cot Jempa in Aceh Besar.



**WASTE AND DEBRIS**

Waste management in Aceh was a major problem because of the huge amount of debris created by the tsunami. Clearing tsunami wreckage was a serious challenge; finding space to dump it was another.

**ENVIRONMENTAL RISK**

Existing landfills were not able to cope with the volume, and some waste materials were potentially harmful to the environment.





#### HUMANITY AT ITS BEST

A helicopter delivers much-awaited supplies to tsunami survivors in Calang. In the immediate aftermath of the disaster there were shortages of food, water and basic supplies (top left). Indonesians and the global community responded generously with supplies, funding, and expertise.

In Nias, a Muslim woman and a Catholic nun work together to distribute food to earthquake survivors (top center). In the face of disaster, people of different nationalities and faiths put aside their differences and worked together. A foreign doctor examines a child in Nias (top right).



#### EXTENDING REACH

Workers unload biscuits supplied by the American Red Cross under an MDF-financed project implemented by the World Food Program (WFP). The project enabled supplies and materials to reach disaster-affected areas, including remote areas of Nias and Simileu Islands.



**SURVIVOR**  
After the tsunami, many Acehese were left with nothing but their memories and grief.



**GETTING BY**  
A father in Nias transports his child across a bridge in Nias by bicycle. Much of the local infrastructure was damaged or destroyed across the island.



## Surviving The Tsunami





#### REBUILDING HOMES

The earthquake and tsunami reduced many homes to rubble. Shortly after the disaster, the hard work of clearing away the debris began. Many organizations, coordinated by BRR, began to rebuild houses and villages. Unlike most other programs, the MDF's housing reconstruction project directly involved survivors in the design and construction of their own houses.

### *Hemawati*

When the earthquake of December 26, 2004 struck Banda Aceh, Hemawati packed her bags and fled her house with her two children. A few days earlier, she had seen a program on television about a massive earthquake and tsunami, and was alarmed. Her fears were confirmed when she saw an old man running towards her village, warning that the sea was coming up the shore.

Hemawati's hasty decision saved her family. Her village, Jeulingke, located in a sub-district of Banda Aceh, was totally destroyed by the tsunami. There was barely a trace left of

her house, and few of the nearly 2,000 villagers survived. Hemawati, a civil servant in Banda Aceh, later participated in the MDF's housing reconstruction program. She supervised the construction of her own earthquake-resistant house, where she lives today with her husband and children. In spite of the horror of the disaster, she feels safe in her new home.

"When a large earthquake hit in April 2012, my house did not crack," she said. "It proves the house is strong."





**TRANSPORT LINKS BROKEN**  
The road between Lamno and Calang, a key transportation artery along the western coast of Aceh, was badly damaged by the disaster.



## CHAPTER II



## The Multi Donor Fund for Aceh and Nias

The MDF was a highly successful partnership that made significant contributions to the reconstruction of Aceh and Nias. It also left behind a legacy that will save lives when disasters strike again.



### THE MDF AT A GLANCE

Established at the request of the Indonesian government:

Consisted of 15 donors contributing \$655 million

Operated from May 2005 – December 2012

Focused on housing, infrastructure, and economic development  
Incorporated community driven development, environmental sustainability, and disaster risk reduction in its approach.



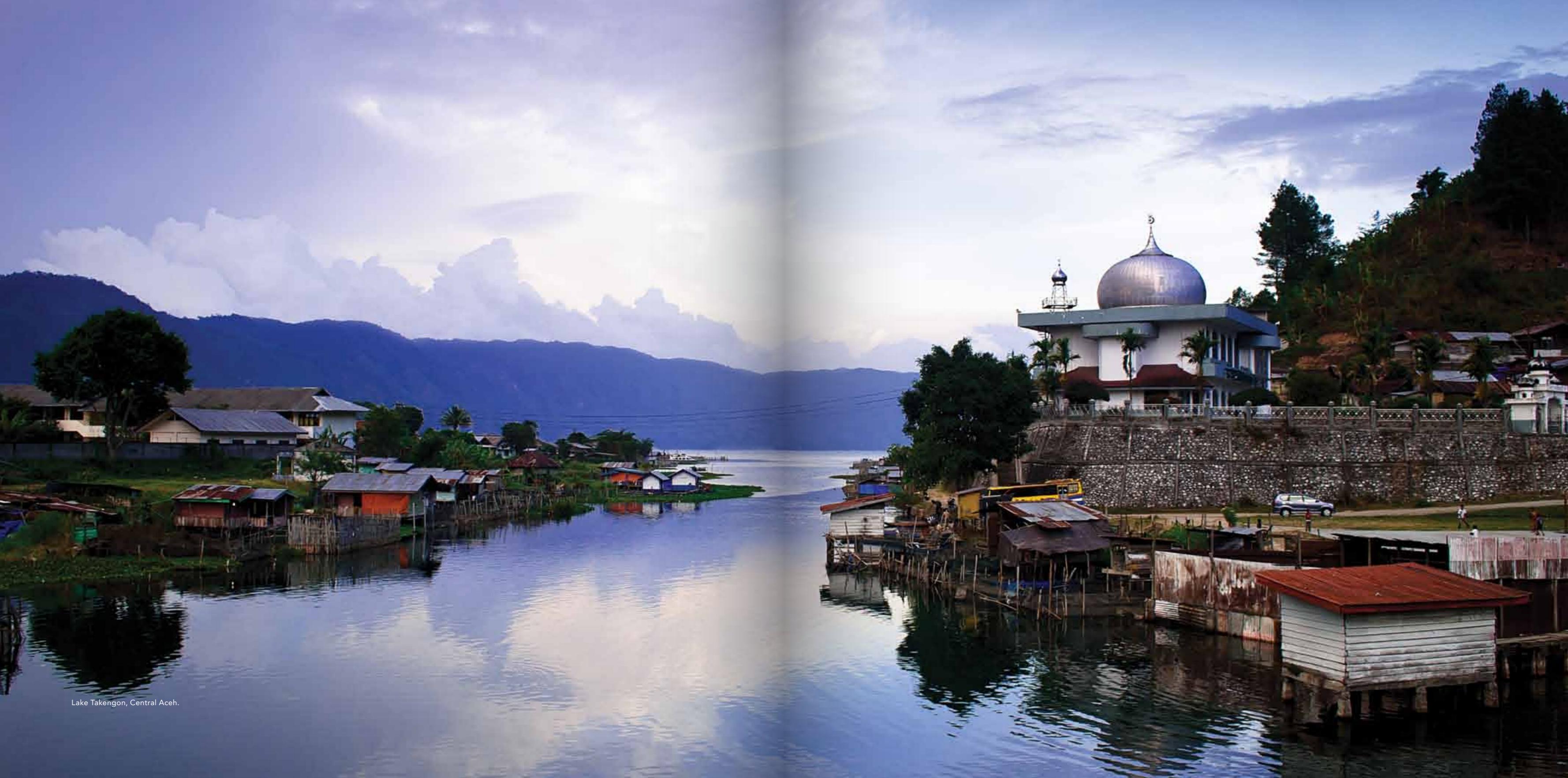
Formed at the request of the Indonesian government, the MDF represented 15 donors—the European Union, the Netherlands, the United Kingdom, the World Bank, Sweden, Denmark, Norway, Germany, Canada, Belgium, Finland, the Asian Development Bank (ADB), the United States, New Zealand and Ireland—who pooled \$655 million, nearly 10 percent of total reconstruction funds. But the MDF was more than a funding instrument. It was a partnership between the Indonesian

government, donors, international institutions, NGOs, civil society, and local communities. The government of Indonesia, through the BRR, Bappenas, and the provincial governments of Aceh and North Sumatra, led and coordinated its work.

The MDF proved to be a highly successful partnership. Through its efforts, it turned devastation into success, and created opportunity out of tragedy.

**REBUILDING TOGETHER**  
Construction site of the Blang Bintang Regional Landfill, implemented by the United Nations Development Programme (UNDP).





Lake Takengon, Central Aceh.



#### A PHASED APPROACH

The MDF adopted a phased approach to address the needs of disaster survivors. In the first phase, it financed reconstruction of housing and local infrastructure with involvement of local communities (above).

#### COMMUNITY DRIVEN

New house under construction in Blang Oi, Banda Aceh under the Rekompak house reconstruction project (right). Beneficiaries took responsibility for reconstructing their own homes and communities.





**REBUILDING INFRASTRUCTURE**  
Workers in Nias build bridge (left) and a reinforced dock (above). Building roads and other large infrastructure formed the second phase of the MDF's program, forming crucial links to the rest of Indonesia and the world.



#### RECONNECTING COMMUNITIES

Community members construct a paved road to their isolated village in Gido, Nias, through a project implemented by the International Labour Organisation (ILO). Roads financed by the MDF helped connect remote areas of Aceh and Nias to larger population centers, creating greater economic opportunities.



**USING LOCAL RESOURCES**  
With beneficiaries involved in the construction of village infrastructure, people earned income and learned new skills in the aftermath of the disasters. The ILO's road construction projects used local resources where possible to maximize economic benefits in Aceh and Nias.



**WOMEN IN RECONSTRUCTION**  
Women played an integral part in all stages of the MDF's community-driven programs, from planning to implementation.



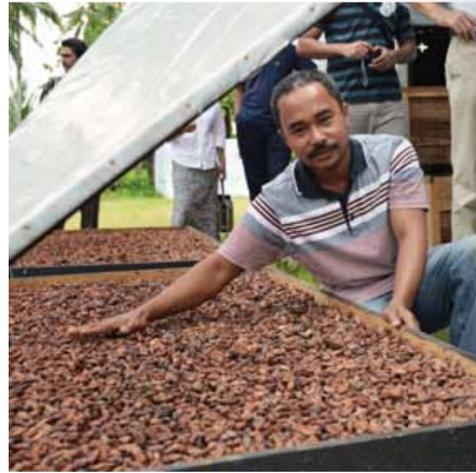
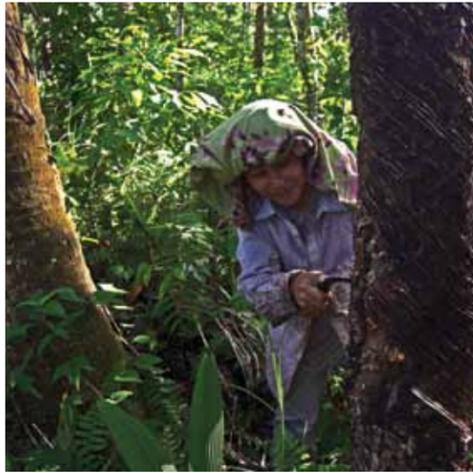
**CREATING OPPORTUNITIES**  
Shop in Sabang, Pulau Weh, an island one hour north of Banda Aceh by ferry. Small businesses and entrepreneurs benefitted from the third phase of the MDF's work, which strengthened key economic sectors and built local capacity.



**BUILDING CAPACITY**  
Seamstresses in their workshop in Lhee Blang village, Aceh Besar. The MDF opened new economic opportunities to women by teaching business and technical skills (top left).



**SUPPORTING KEY SECTORS**  
Men carry blocks of ice used in the fishing industry, an important livelihood in both Aceh and Nias. MDF support strengthened key sectors, including agricultural products and fisheries, creating jobs and laying the foundation for growth (top right).



**IMPROVING COMPETITIVENESS**  
The MDF introduced best practices for production and marketing of coffee, rubber, cacao and other products (above).

**NEW TECHNIQUES**  
Woman splices stems from high-quality coffee plants from Sulawesi to stems and roots acclimated to Acehese soil (right).



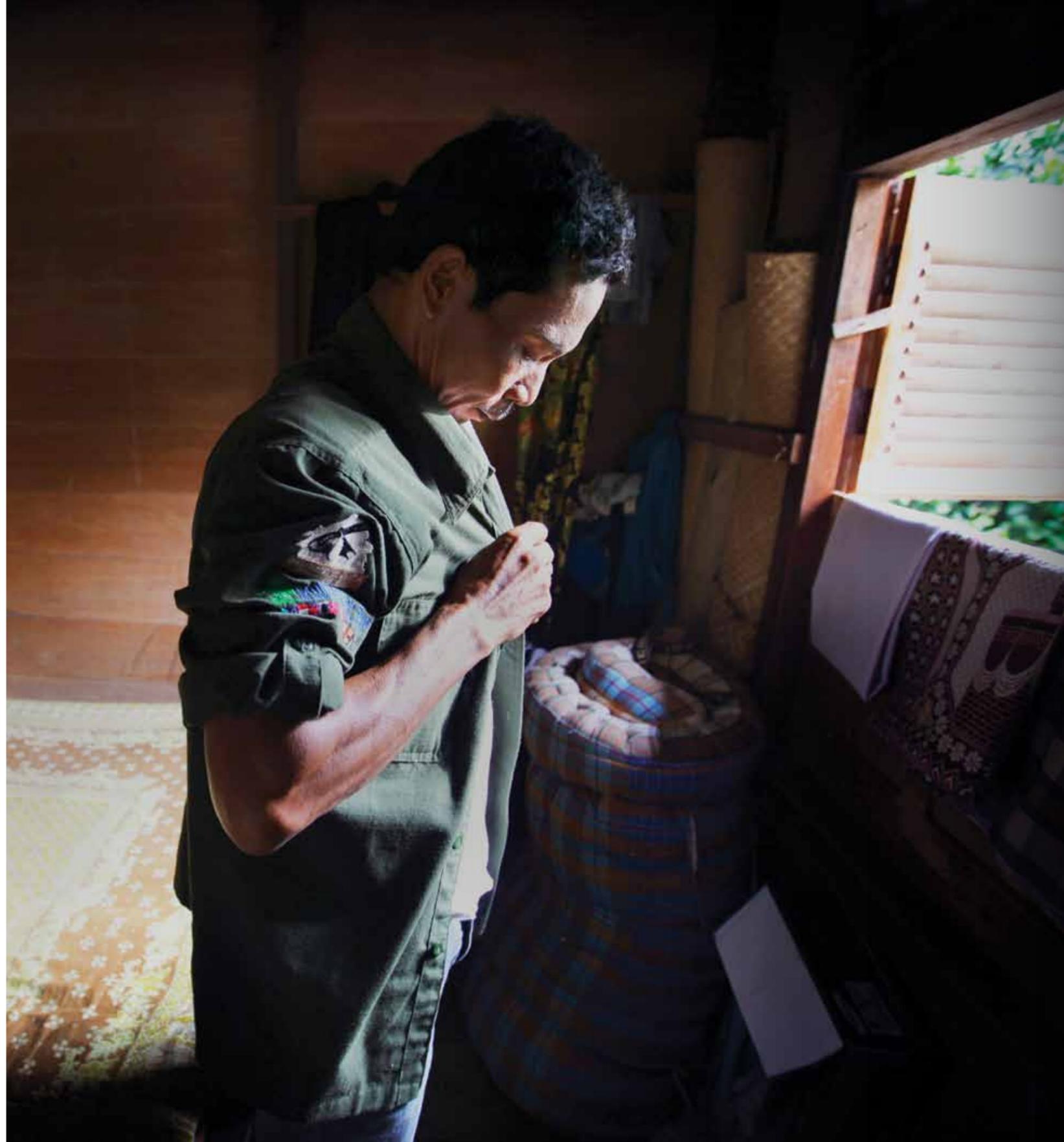


**COORDINATION**  
Kuntoro Mangkusubroto, Director of the Agency for the Rehabilitation and Reconstruction of Aceh and Nias (BRR), speaks at a steering committee meeting.



## From Illegal Logger to Forest Ranger





**LEFT**

Muktar prepares for another day in his new role as forest ranger. Protecting the environment of Aceh and Nias were important components of all MDF projects.

**ABOVE**

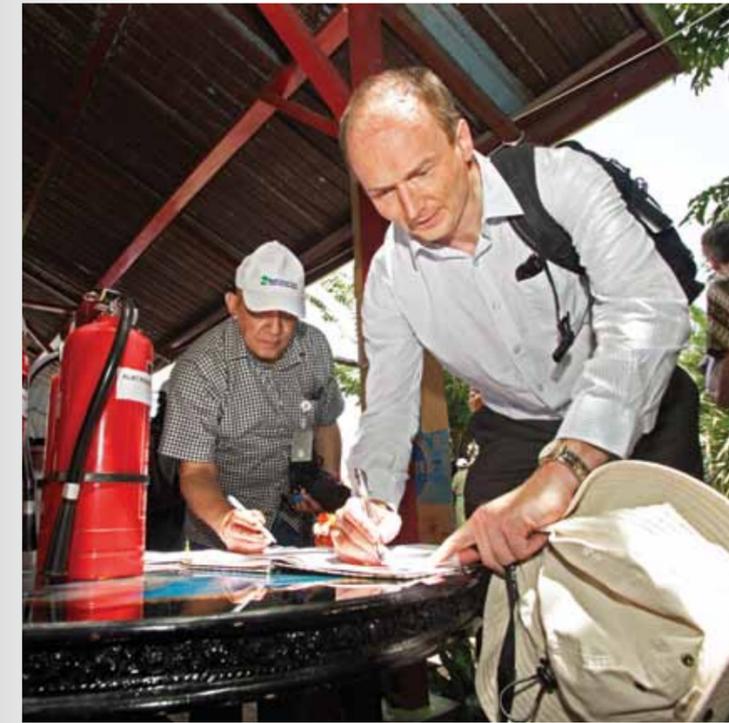
Muktar on the job. In Aceh's extensive forest ecosystems, the MDF's work helped reduce conflicts between wildlife and communities that put livelihoods at risk and endangered animals such as the rare Sumatran elephant. It also provided alternative employment which reduced incentives to illegally harvest wood from Aceh's forests, providing alternative livelihoods which reduced incentives to illegally harvest wood from Aceh's forests.

## *Muktar*

Muktar once earned his living as an illegal logger operating in the upland forests of Aceh province. Illegal logging is a serious environmental threat to Aceh's Leuser and Ulu Masen ecosystems, the largest contiguous forested area in Southeast Asia. "We were all illegal loggers around here," said Muktar. "You couldn't count on other jobs."

But the Aceh Forest and Environment Project (AFEP) gave Muktar the chance to protect the forest instead of harming it—he became a forest ranger. Through training provided by Fauna and Flora International (FFI), Muktar learned how to work with elephants and conduct search and rescue missions.

He feels much more needs to be done to change attitudes. "A part of my job involves going in to schools and talking to schoolchildren about forest and wildlife conservation," he says. "We tell them about the forest being the rightful home of the wildlife."



**INTERNATIONAL COLLABORATION**  
The international community played a major role in the reconstruction of Aceh and Nias by providing funding and expertise. The MDF, with its transparent governance structure, served as a platform for formulating strategies and sharing knowledge.



CHAPTER III



## Restoring Communities

After the immediate needs of survivors were met, the BRR began a massive housing reconstruction project. As part of this project, the MDF rebuilt nearly 20,000 homes across Aceh and Nias.

What distinguished the MDF's approach was the way it included communities in the process of rebuilding. People had input into the design of their houses and the layout of communities. Survivors also contributed much of the labor to rebuild their own homes, which drove down costs, taught valuable skills, and gave people a sense of ownership.

Beyond its involvement in construction, the MDF created a procurement system that virtually eliminated misuse of funds. It also embedded

disaster risk reduction in its programs, helping people become more confident and resilient.

The MDF projects demonstrated that the community-driven approach is effective in post-disaster situations. This approach has been adopted by the government for its post-disaster housing reconstruction policy and has been replicated in other parts of Indonesia.

### A NEW START

Children in their newly-built neighborhood in Tubuk Lancang, Pidie Jaya district, Aceh. Their community was rebuilt with support from the MDF's Rekompak project, which provided housing in 130 villages. More than 97 percent of the rebuilt houses are occupied. The project was implemented by the Ministry of Public Works (MPW).





#### COMMUNITY-LED APPROACH

Community group at the early stage of rebuilding a house (left). Before construction could begin, villagers agreed on the location and ownership of individual plots. The MDF facilitated community meetings to plan the layout of villages (top left). With support and training provided by Rekompak, tsunami survivors designed and rebuilt their own houses (top middle, right).

#### GENDER BALANCE

The MDF approach gave voice to both men and women in deciding how to rebuild their villages. Women often chose projects that had an impact at the family level, for example, to provide clean water. Men tended to favor larger projects such as road and bridge construction. By including both perspectives in the planning process, communities made better, more balanced decisions.

**RESTORATION**

Houses under construction in Lambung Village, Banda Aceh, where 885 of 1,241 inhabitants were killed by the tsunami.





**COMMUNITY INFRASTRUCTURE**  
In addition to reconstructing housing (top left), Rekoop provided grants to rebuild community infrastructure in 180 villages, directly benefiting more than 79,000 people with village roads (top right), drainage systems, bridges, and public water and sanitation facilities.

**LOCAL RESOURCES**  
The project also provided technical management training and stimulated local economies by providing jobs. Local construction materials were used whenever possible to reduce costs and further boost local economies.



**EARTHQUAKE RESISTANT**  
New homes built under Rekoop were designed to be earthquake-resistant to reduce vulnerability to future disasters. The project used high-quality materials and verified that construction standards were met.



#### A PERSONAL TOUCH

The MDF's Rekompak project enabled beneficiaries to make decisions about the design and construction of their own houses. As a result, Rekompak houses have an personal touch. This reconstruction model was replicated successfully in Central Java and Yogyakarta.



Lambung Village, Banda Aceh, after reconstruction under the MDF's Rekompak project.



**EARLY WARNING**

Men install an antenna as part of a tsunami warning system in Amandraya, Nias Selatan.



#### REDUCING RISKS

Simulation drill exercises by elementary school students (top left, center). Residents move quickly along a pre-defined escape route during the tsunami simulation drill in Ulee Lheu, Banda Aceh (top right).

#### DISASTER PREPAREDNESS

Middle-school students practice delivering first aid (left) to commemorate Disaster Risk Reduction (DRR) day. The Ministry of Home Affairs and the Government of Aceh implemented DRR programs and made it part of the school curriculum.



**NEW SCHOOLS**  
The MDF built over 650 earthquake resistant schools in Aceh and Nias, including this kindergarten in Krueng Sabee village, Aceh Jaya.



## Nias: A Traditional House Restored





## *A Unique Cultural Heritage*

### **A UNIQUE CULTURE**

The MDF promoted the preservation of cultural heritage in Nias, which is one of the few remaining communities with megalithic traditions. Nias is also known for its wooden houses, which are built on pillars and are earthquake resistant.

### **PRESERVING HERITAGE**

The Nias Heritage Museum in Gunung Sitoli (right). A stone megalith stands by the entrance.

Inhabitants of Bawo Mata Luo in Nias Selatan say their village is twelve generations old. It contains over 120 traditional houses, some over 200 years old.

Pak Hikmat is the tenth generation to live in the 167 year-old family house, and this is the first time restoration work is taking place. During the 2005 earthquake, the back of the house was destroyed and repaired with concrete. But now, with funding from the MDF, the front of the house is being renovated using traditional materials, preserving its cultural significance.

“The renovation of the house is a sacred process for us,” Hikmat explains. “We draw from many of our old traditions when we are restoring and

building. Nias culture has not been written down so for us preserving our houses is preserving the culture. I may be poor but people respect me as a cultured Nias man because of my house.” Hikmat is keenly aware that cultural heritage is also important for tourism and for his own income.

“I’m also a craftsman, I carve wood, and I had a craft shop for visitors. I carved some of the wood into statues. But tourism has been declining here for a few years now. I’m not sure why, maybe because we’re just not being promoted enough. In the past some surfers would come by, but they just think about waves. We need to be marketed as a cultural heritage destination.”



**LAND RIGHTS SECURED**

A man proudly shows his land certificate in Aceh. The MDF assisted the National Land Agency in securing land property rights and developing a computerized land records management system. This project, implemented by the National Land Agency (BPN), distributed over 220,000 land title certificates, of which more than 60,000 were issued to women or jointly with women.



CHAPTER IV



## Transport and Infrastructure

Both Aceh and Nias had suffered from isolation before the disaster, which limited economic development and opportunities for their people.

Nias, an island off the western coast of Sumatra, was isolated by its location. Aceh was cut off because of its decades-old conflict. Heavy damage to infrastructure made the problem much worse.

Early work focused on getting materials into Aceh and Nias to support the reconstruction effort. Later, the MDF supported projects like the Calang-Lamnor road along Aceh's West Coast, port reconstruction, flood control

systems, water treatment plants, and thousands of smaller projects. This infrastructure helped connect people in Aceh and Nias to the outside world and improved the overall quality of life.

At the same time, the MDF focused on preserving the environment. It introduced best practices in waste management and developed a project that trained rangers, many of whom were former combatants and illegal loggers, to protect Indonesia's forests and wildlife.

### RECONNECTING

Construction of the port in Gunung Sitoli, Nias. The MDF contributed to the development of transportation networks in Aceh and Nias by supporting the reconstruction of ports, roads, and bridges. Ports were reconstructed as part of the Infrastructure Reconstruction Financing Facility (IRFF), implemented by the Ministry of Public Works and supported by the World Bank.





**BUILDING BACK BETTER**  
Construction of the Kuala Bubon bridge in Meulaboh, Aceh Barat. To prevent flooding during high tide, the road levels were raised during reconstruction (top left). Water drainage system (top right).

**MANAGING WATER**  
Employee of Sabang's water utility maintains the newly-built water supply system (right).



The Malahayati port in Aceh Besar.



#### CONNECTING COMMUNITIES

Bridge construction along the Aceh-Calang road. The road was the main transportation route for materials between Banda Aceh and the west coast of Aceh.

The MDF funded a project to maintain a 103 kilometer stretch to ensure uninterrupted overland access to tsunami-affected communities.

#### SUPPORTING GROWTH

Tourism on Pulau Weh, an island one hour north of Banda Aceh by ferry, relies on the road from Sabang to Iboih Village in Gapang Bay, a world-class diving location. The MDF improved access across the island, greatly increasing local economic growth.





**CREATING ACCESS**

Workers put the final touches on a bridge in Nias built by a project implemented by the ILO using environmentally-friendly construction methods that require minimal maintenance.



#### MANAGING WASTE

Modern landfills and efficient waste management systems do more than keep the Banda Aceh area clean. They also protect the environment and provide livelihoods for trash collectors, who recycle plastic bottles and cardboard.

#### MODERN LANDFILLS

Regional sanitary landfill construction in Blang Bintang, Aceh Besar district, implemented by the UNDP. The landfill serves Banda Aceh and Aceh Besar districts (right).





Spinning Garbage into Gold





## *Ainal Mardhiah*

### RECYCLING

Recycling waste extends the life of landfills, protects the environment, and provides livelihoods.

When Ainal Mardhiah was teaching English at a local NGO, the Lamjabat Foundation, she had no idea she would become a recycling expert. But when the foundation began working with the Tsunami Recovery Waste Management Programme (TRWMP), she discovered she had a knack for making household items and handicrafts and from discarded materials.

TRWMP initially focused on clearing tsunami waste, but later introduced modern solid waste management systems to Aceh. It also set up women's groups and provided coaching on

producing and selling crafts made from recycled waste. "There is a market for handicrafts such as bags, wallets, tissue boxes, flowers, and other household items," says Ainal, a mother of four. The women can now contribute to their families' income without having to leave home or their children. And there's another big plus: the supply of raw material is practically endless.





**SAFE CONSTRUCTION**  
Concrete piles to support  
a road crossing in Meulaboh,  
Aceh Barat. New infrastructure  
built by the MDF was designed  
to withstand earthquakes.



CHAPTER V



## Looking Ahead: Economic Development

The MDF recognized that livelihoods must be restored for post-disaster communities to prosper.

Building on its successes in restoring communities and infrastructure, the MDF stimulated economic development in key sectors including cacao, coffee, rice and fisheries. Besides the infrastructure vital for connecting businesses to suppliers and markets, Aceh and Nias need to improve their business-enabling environments and upgrade business and technical skills. The MDF started this process by introducing good practices, strengthening supply chains, and building

the capacity of officials involved in regulating and supporting these sectors. It also worked through cooperatives to ensure that new knowledge will continue to be taught after the program closes.

Developing the economies of Aceh and Nias is a long-term job that will go far beyond the MDF, and will remain a challenge for national and provincial governments in the years to come.

### SUPPORTING KEY SECTORS

Coffee farmer inspects young plants in Aceh's Gayo region. Coffee is one of the key sectors in Aceh and Nias supported by the MDF through the Economic Development Financing Facility, implemented by the Ministry of Disadvantaged Areas (KPDT) and the Government of Aceh.





**BUILDING LOCAL KNOWLEDGE**

The MDF supported cacao research so that best practice knowledge is available in Aceh. It also built the capacity of government agencies involved in the sector.

**ENHANCING POTENTIAL**

Aceh's climate is well suited to growing cacao, the main ingredient in chocolate. However, limited knowledge of best practices and poor access to markets has kept the sector from reaching its potential. The MDF provided training in farming and processing practices, developed cooperatives, and support for exports.

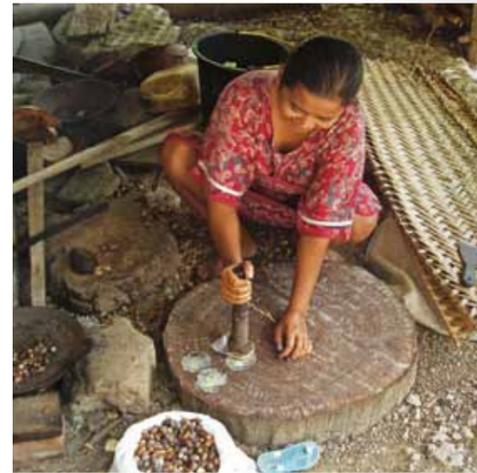


#### DRIVING EMPLOYMENT

Agriculture, fisheries, cattle breeding and other livelihoods contribute significantly to the economies of Aceh and Nias and provide employment (top). The MDF provided sector-specific assistance and training to improve local knowledge.

#### TRADITIONAL LIVELIHOODS

Traditional salt maker in Bireuen (left). By developing key economic sectors, the MDF built on its successes in reconstruction and created a platform for future growth and employment.



**NEW BUSINESS SKILLS**

Emping crackers, a popular snack made from melinjo nuts, are produced by women's cooperatives using traditional techniques in Pidie, Aceh. The MDF provided training and better technology to improve their products and management of their cooperative. As a result, six women's groups increased their capacity eight-fold using custom-designed presses.

**SUPPORTING COOPERATIVES**

The MDF worked also worked with cooperatives to improve production and marketing of rice, processed fish, livestock and other products. Many MDF-supported cooperatives were run by or include women.

**WOMEN IN BUSINESS**

Women packaging emping crackers (opposite).





#### FARMER FIELD SCHOOLS

A man displays rice seeds that were distributed by the MDF in Nias Selatan (left). The MDF supported the rice sector from planting to processing. It established Farmer Field Schools which introduced a rice intensification system in 25 villages, provided training in new rice producing techniques to cooperatives. It also supported an automated rice processing plant.

#### SUPPORTING A STAPLE

Farmers work in rice paddies in Nias. The MDF supported rice farmers with seeds, fertilizers, hand tractors and other inputs to increase their rice production (top left). Agricultural worker displays her harvest in Nagan Raya district of Aceh (top right).



**COFFEE CULTURE**

Roasting coffee beans in Central Aceh. The culture of coffee is deeply embedded in Aceh, which produces high-quality Gayo Arabica in the cool highland region near Lake Takengon.



Growing Quality Coffee in Central Aceh





## *Irmaini*

### CAFFEINATED GOLD

Introduced by the Dutch, coffee is now a major contributor to Aceh's economy.

### BUILDING KNOWLEDGE

To strengthen this critical sector, the MDF introduced improved coffee farming, processing and distribution methods to Aceh. It also supported a coffee development research center at a local university in Takengon.

Though Ibu Irmaini worked on coffee farms all her life, she had never had any training in coffee cultivation. But in 2011, the International Organisation for Migration (IOM), as part of the Economic Development Financing Facility managed by the World Bank, began field schools for coffee farmers in the districts of Aceh Tengah and Bener Meriah. So far, over 500 farmers have improved their cultivation and processing techniques and have also gained a better understanding of the demands of the international coffee markets.

The IOM field school taught her and her fellow farmers about seeding, trimming, making compost, and organic farming. "I even pick coffee differently now," she says. "I know which shades of red to pick, as this signifies the quality.

In the past women worked as paid labor and were paid per can of beans, so they would pick as much as possible regardless of the color of the bean. Now we know choosing the higher quality is more important. We want heavy cans with quality beans!"

Before the tsunami, this area suffered significantly during the conflict—farmers were constantly afraid of losing their lives. "We still tried to cultivate, but it was dangerous for us. We'd hear explosions, and were often traumatized." During the day, both sides would come with their guns and take our coffee away, the coffee we had laid out to dry. So of course our coffee yields were very small at that time. But things are better now. We hope that peace stays forever."



**WOMEN IN BUSINESS**

The MDF recognizes that empowering women can have a large impact on family income. In Lam Cot village, Aceh Besar, the MDF supported a producer group making karah cake, a traditional snack, by providing small loans. Members of the group were able to revitalize their production and earn more income.





CHAPTER VI



## Aceh and Nias Today

Today, a visitor to Aceh or Nias would be hard-pressed to find obvious signs of disaster. New houses, buildings and roads have long since replaced devastation.

People go about their business in markets, cafés, shops, and in thousands of thriving small businesses. It is abundantly clear that reconstruction was a big success.

The restoration of Aceh and Nias will not, of course, bring back the victims. Lost family and friends will be remembered with sorrow for decades to come. But today, the people of Aceh and Nias are prepared to face disasters, as they

inevitably must, and have greater opportunities to engage with the economic and social life of Indonesia.

They can also take pride in knowing that they were part of a partnership that built a highly successful model for disaster relief and preparedness. The value of the lessons learned through the MDF experience will be carried forward for generations.

**RESTORED**  
View from the bridge in  
Peunayong, Banda Aceh.  
Today Banda Aceh is  
a clean and beautiful city.





#### FISH MARKET

Fishermen at the Lampulo Fish market in Banda Aceh. This area was one of the most badly hit during the tsunami. Today it is the best place to get fresh fish in the city (left).

#### BACK TO LIFE

Life in disaster-stricken areas is back to normal, though painful memories remain. Woman selling vegetables at the Peunayong Market in Banda Aceh (top left). Man making traditional coffee in one of Banda Aceh's famous coffee shops (top right).

**SMILING AGAIN**

Farmer shows a sample from the rice harvest. After many hardships, the people of Aceh and Nias now have the opportunity to build their own futures.





**RECONNECTED**

Men cross a newly-built bridge on Nias by motorbike. Today, the citizens of Nias have much improved transport links both on the island and with Sumatra.



**TRADITION CONTINUES**

A traditional house in South Nias. An MDF funded project implemented by the ILO supported the preservation of the unique heritage and traditions of Nias (top).

**BANDA ACEH'S LANDMARK**

Many people saved themselves during the tsunami by taking refuge in the Grand Mosque. Located at the heart of the city, it is one of Banda Aceh's most famous landmarks (right).





**A SUCCESSFUL COLLABORATION**

Max Pohan of the National Planning Agency and Stefan Koeberle, World Bank Country Director, congratulate the Heads of the regencies of Aceh and Nias (left). Both local and national governments formed an important part of the partnership which made the MDF a success.

The MDF held its last Steering Committee meeting and marked the end of its seven-year mission in June 2012. All project activities concluded at the end of 2012.



A RESTORATION OF LIFE

The tsunami and earthquake may have seemed like the end of the world to their victims in Aceh and Nias. Today, few if any signs of that destruction remain. The reconstruction effort was a success. The MDF is proud of its contribution to this effort. This partnership did not only leave behind houses, infrastructure, and restored livelihoods; it left behind a legacy. Today, Indonesia has tools at its disposal learned through the MDF experience that will help it when future disasters strike. This will be the long-term legacy of the MDF.



ANNEXES



# MDF Portfolio

The MDF's portfolio was designed to meet the changing needs of Aceh and Nias as they progressed from recovery to rebuilding infrastructure to laying the foundations of economic development. Consisting of 23 projects in six outcome areas, the projects were implemented by government and non-government partners, including national and provincial governments, agencies of the United Nations, international development institutions, and non-governmental organizations. Environmental sustainability, gender, capacity building and disaster risk reduction were important cross-cutting elements of the MDF program throughout its life cycle.

## 1. RECOVERY OF COMMUNITIES

The first group of MDF projects supported recovery of communities, with a focus on housing and local infrastructure. Using a community-driven approach and implemented by government, these programs enabled disaster survivors to re-establish their communities and begin rebuilding their lives.

**The Community-based Settlement Rehabilitation and Reconstruction Project**, better known as **Rekompak**, used a community-driven approach to rebuild homes and local infrastructure in Aceh and Nias. Implemented by the Ministry of Public Works (MPW) and managed by the World Bank, Rekompak rebuilt nearly 15,000 houses and restored basic infrastructure to 180 villages.

**The Community Recovery through the Kecamatan Development Project (KDP)** was part of a national program and partly funded by the MDF. Through KDP, the MDF assisted communities in Aceh and Nias to plan and manage the reconstruction of rural infrastructure, schools, clinics, and other public buildings. It also provided business training and loans. The project was implemented by the Ministry of Home Affairs (MHA) and managed by the World Bank.

**The Community Recovery through the Urban Poverty Program (UPP)** provided support for reconstruction to urban communities to rehabilitate and develop community infrastructure in municipalities in Aceh. UPP repaired urban infrastructure, rebuilt schools and other public buildings and provided scholarships. The project was implemented by the MPW and managed by the World Bank.

**The Kecamatan-based Reconstruction and Rehabilitation Planning in Nias Project (KRRP)** was a community-based recovery and planning project for reconstruction in Nias. Implemented by the MHA and managed by the World Bank, it rebuilt houses, schools, public buildings, and village infrastructure.

**The Reconstruction of Aceh Land Administration System (RALAS)** restored land property rights and a computerized land records management system. Over 220,000 land title certificates were issued, nearly one-third to women. Implemented by the National Land Agency (BPN) and managed by the World Bank.

## 2. RECOVERY OF LARGE INFRASTRUCTURE AND TRANSPORT

The MDF, working in partnership with the Government of Indonesia, contributed significantly to the reconstruction of large infrastructure in Aceh and Nias. These projects restored transportation links and critical infrastructure, thereby improving people's lives and providing new economic opportunities.

**The Banda Aceh Flood Mitigation Project (BAFMP)**, implemented by Muslim Aid and managed by the World Bank, repaired pumping stations, flood valves, and drainage systems damaged by the tsunami to protect the central business area of Banda Aceh from storm and tidal flooding.

**The Infrastructure Reconstruction Enabling Program (IREP)** and its companion project, the **Infrastructure Reconstruction Financing Facility (IRFF)**, planned, designed, and built strategic infrastructure such as roads, water systems and bridges in Aceh and Nias. Co-financed by BRR, the projects were implemented by the MPW and managed by the World Bank.

**The Lamno-Calang Road Maintenance Project (LCRMP)** maintained a key road from Lamno to Calang to ensure overland access to tsunami-affected communities on Aceh's west coast. The project was implemented by the UNDP.

**The Sea Delivery and Logistics Programme (SDLP)** met the urgent recovery transportation needs for construction materials in Aceh and Nias. Implemented by the WFP, it also provided training for better management of ports and disaster-risk reduction.

**The Tsunami Recovery Port Redevelopment Programme (TRPRP)** rehabilitated damaged ports in Aceh and Nias so that equipment and materials could be supplied to isolated communities. The project, implemented by the UNDP, also provided designs and technical support for reconstructing major sea ports.

**The Rural Access and Capacity Building Project (RACBP)** helped residents of participating districts in Nias effectively use improved rural transport infrastructure and services to take advantage of economic opportunities and social services. Implemented by the ILO, it also included a cultural heritage component.

### 3. ECONOMIC DEVELOPMENT AND LIVELIHOODS

Restoring livelihoods is an important part of disaster recovery. These projects strengthened important sectors which provide employment and income to Aceh and Nias, paving the way for long-term economic growth.

**The Aceh Economic Development Financing Facility (EDFF)** promoted post-tsunami economic recovery. Managed by the World Bank, the EDFF was implemented by the Ministry for Development of Disadvantaged Areas (KPDT) and the Government of Aceh. The project provided sub-grants to support growth in key sectors including coffee, cocoa, rice, meat and fisheries.

**The Nias Islands Livelihoods and Economic Development Program (LEDP)** provided training to improve technical and business skills for livelihoods and overall economic development. Implemented by KPDT and managed by the World Bank, the project also developed skills within local government for implementing livelihoods programs in Nias.

### 4. STRENGTHENING GOVERNANCE AND CAPACITY BUILDING

The MDF encouraged good governance and strengthened the capacity of local communities and district governments. It encouraged the development of civil society organizations involved in the reconstruction process.

**The Capacity Building for Local Resource-based Rural Roads (CBLR3)** strengthened the capacity of district government and small-scale contractors to undertake local road works. Implemented by the ILO.

**The Support for Poor and Disadvantaged Areas Project in Aceh and Nias (SPADA)** project, implemented by KPDT and managed by the World Bank, strengthened local participation in development planning, promoted private investment and job creation, and improved health, education and dispute resolution services. The project complemented a national program funded by a World Bank loan.

**Support to Strengthen the Capacity and Role of Civil Society Organizations (CSO)** implemented by the UNDP, built the capacity of local civil society organizations in Aceh and Nias to enhance grass-roots participation in the reconstruction process.

### 5. ENHANCING THE RECOVERY PROCESS

In order to strengthen government capacity to manage the recovery effort, the MDF provided technical assistance and operational support to BRR and other government agencies.

**The Aceh Government Transformation Program (AGTP)** provided strategic support to the government of Aceh to provide the capacity and institutional strength to take over projects, resources, and assume oversight of reconstruction and recovery programs after the closure of BRR in April 2009. The project was implemented by the MHA and Provincial Government of Aceh and managed by the UNDP.

**Making Aceh Safer through Disaster Risk Reduction in Development (DRR-A)** established disaster risk reduction in Aceh's local government agencies, its public and private partners, and local communities. The project was implemented by the MHA and Provincial Government of Aceh, and managed by the UNDP.

**The Nias Island Transformation Programme (NITP)**, managed by the UNDP and implemented by the MHA and local governments in Nias, enhanced district capacity to successfully complete the recovery process and reduce risks from future natural disasters.

**Technical Assistance to the BRR and Bappenas (TS-R2C3)**, managed by the UNDP, supported BRR in managing the overall recovery process. After BRR closed in April 2009, the project worked with Bappenas.

### 6. SUSTAINING THE ENVIRONMENT

Throughout the recovery process, the MDF committed to protecting the environment. The MDF played an important part in post-disaster cleanup and long-term waste management. It also worked to protect the ecosystems of Aceh and Nias.

**The Tsunami Recover Waste Management Programme (TRWMP)** helped local government clear, recycle and dispose of tsunami waste, rehabilitate waste management infrastructure, and implement sustainable solid waste management systems. It also promoted waste-management-related livelihoods. Implemented by the UNDP.

**The Aceh Forest & Environment Project (AFEP)** worked closely with communities, civil society and government to protect the Leuser and Ulu Masen forests from illegal logging and promoted sustainable forest management. Managed by the World Bank, the project was implemented by Fauna & Flora International (FFI) and Leuser International Foundation (LIF).

Learn more about MDF projects at [www.multidonorfund.org](http://www.multidonorfund.org).

# MDF Timeline

2004

**December**

Massive earthquake triggers Asian tsunami. President Susilo Bambang Yudhoyono declares a national disaster.

2005

**January**

Government of Indonesia requests establishment of a multi donor trust fund.

**March**

Nias earthquake.

**April**

MDF established. BRR established.

**May**

1<sup>st</sup> MDF Steering Committee meeting.

**June**

RALAS project starts.

**July**

TA to BRR and Bappenas project starts.

**August**

KDP and UPP projects start. Peace agreement ends Aceh conflict.

**October**

Rekompak project starts. December. TRPRP and CSO projects start.

2006

**February**

SDLP starts.

**March**

CBLR3 starts.

**April**

IREP starts.

**September**

AFEP and BAFMP start.

**October**

LCRMP starts.

**November**

KRRP starts.

**December**

Yusuf Irwandi elected governor of Aceh.

2007

**February**

SPADA starts.

**March**

IRFF starts.

**December**

LCRMP and TRPRP close.

2008

**July**

AGTP starts. MDF closing date extended to December 2012.

**November**

DRR-A starts.

2009

**March**

EDFF starts.

**April**

NITP starts. BRR closes.

**June**

RALAS closes.

**October**

RACBP starts.

**December**

BAFMP, KDP and UPP projects close.

2010

**April**

Rekompak closes.

**May**

CSO closes.

**October**

LEDP starts.

2011

**June**

KRRP and AFEP close.

**December**

IREP, AGTP, and SPADA close.

2012

**April 2012**

Zaini Abdullah elected governor of Aceh.

**May**

DRR-A closes.

**June**

IRFF, NIP, TRWMP, RACBP, SDLP and TA to BRR and Bappenas close. Final Steering Committee meeting.

**November**

International conference marks closing of the MDF and JRF. CBLR3 and EDFF close.

**December**

IRFF and LEDP close. MDF closes on December 31.

## MDF TIMELINE

The Multi Donor Fund spanned nearly eight years, from 2005 to the end of 2012. This period was one of tremendous economic, social and political change, largely influenced by the overall reconstruction effort and the end of the three-decade conflict in Aceh.

## Donor Contributions

CONTRIBUTORS	CONTRIBUTIONS (\$ MILLION)
 European Union	271.31
 Netherlands	146.20
 United Kingdom	68.50
 World Bank	25.00
 Sweden	20.72
 Canada	20.22
 Norway	19.57
 Denmark	18.03
 Germany	13.93
 Belgium	11.05
 Finland	10.13
 Asia Development Bank	10.00
 United States	10.00
 New Zealand	8.80
 Ireland	1.20
<b>TOTAL CONTRIBUTIONS</b>	<b>654.67</b>

All dollar amounts are U.S. dollars unless otherwise indicated

## Acronyms

**ADB**  
Asian Development Bank

**AFEP**  
Aceh Forest and Environment Project

**Bappeda**  
Regional Development Planning Agency

**Bappenas**  
National Development Planning Agency

**BPN**  
National Land Agency

**BRR**  
Agency for the Rehabilitation and Reconstruction of Aceh and Nias

**DRR**  
Disaster Risk Reduction

**EDFF**  
Economic Development Financing Facility

**GAM**  
Gerakan Aceh Merdeka, the Free Aceh Movement

**ILO**  
International Labour Organisation

**IRFF**  
Infrastructure Reconstruction Financing Facility

**JRF**  
Java Reconstruction Fund

**KPDT**  
Ministry of Disadvantaged Areas

**MDF**  
Multi Donor Fund for Aceh and Nias

**MHA**  
Ministry of Home Affairs

**MPW**  
Ministry of Public Works

**Rekompak**  
Community-Based Settlement Rehabilitation and Reconstruction Project

**UNDP**  
United Nations Development Programme

**USGS**  
United States Geological Survey

**WFP**  
World Food Programme

# Acknowledgements

**THE POWER OF PARTNERSHIPS**  
The Multi Donor Fund in  
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VUE D'ACHEM





# THE POWER OF PARTNERSHIPS

## The Multi Donor Fund in Post-Disaster Aceh and Nias

The December 2004 tsunami, which killed over 200,000 people in Aceh, Indonesia's northernmost province, was a stark reminder of the country's vulnerability to disasters. This tragedy was followed by the devastating 2005 earthquake in Nias, the 2006 earthquakes and tsunami in Java, and the 2010 eruptions of Mount Merapi, each event reinforcing the natural fragility of the archipelago.

While disasters are inevitable, being a disaster victim is not. The Multi Donor Fund for Aceh and Nias (MDF), a partnership between the Indonesian government, donors, development agencies, NGOs and local communities, provided successful models and approaches for recovering from and preparing for natural disasters.

This book shows how the MDF helped communities in Aceh and Nias recover from unimaginable devastation. It is more than a story of survival in the face of tragedy. It is a story of how decisive leadership, good planning, financial support, technical expertise and sound project execution can restore life to shattered communities. It is a story of how a nation can learn from its experiences and contribute to the global body of knowledge.

The MDF did more than rebuild. It also showed that the power of partnerships can overcome unthinkable challenges and leave behind a valuable legacy.