



REPUBLIC OF INDONESIA

**MASTER PLAN FOR THE
REHABILITATION AND RECONSTRUCTION
OF THE REGIONS AND COMMUNITIES OF
THE PROVINCE OF NANGGROE ACEH
DARUSSALAM AND THE ISLANDS OF NIAS,
PROVINCE OF NORTH SUMATERA**

APRIL 2005

Preface

The earthquake and tsunami that devastated most coastal areas of Nanggroe Aceh Darussalam and Nias Islands in North Sumatra on 26 December 2004, took its toll on lives and left the area severely damaged. As a nation, this huge disaster is unprecedented. We mourn and we grieve. But at the same time, we as a nation share a very high solidarity to give our hands and alleviate the burdens of our brothers in Aceh and Nias.

In the first three months after the disaster, we exerted ourselves fully to respond to the emergency in order to rescue the people so they can survive despite having only minimum life necessities.

We have gone through that stage, and now we are in the rehabilitation stage, to be followed by reconstruction stage. Rehabilitation aims to restore the functions of public service, a process that needs one or two years, and is expected to be completed by the end of December 2006. Reconstruction aims to rebuild the public system, economic system, infrastructure, and governance functions, which is predicted to take two to five years until the end of 2009.

In order to implement the rehabilitation and reconstruction, we need a holistic and comprehensive planning, which takes into account the uniqueness of Aceh and Nias, in the form of a Master Plan for the Rehabilitation and Reconstruction of Aceh and Nias, North Sumatra.

This document is completed in a very short time, during the stage of emergency relief efforts, since it is developed collaboratively by the stakeholders, both at the central and regional levels, which comprise government agencies and non-government organizations. Once more, we have shown our solidarity and togetherness in making the plan, and at the same time in taking preventive measures to avoid severe aftermath caused by similar disaster.

Subsequently, this document will be used as a foundation for Regional Governments concerned and the Implementing Agency for the Rehabilitation and Reconstruction of the Region and People of Nanggroe Aceh Darussalam Province and Nias Islands, North Sumatra Province, in preparing the action plan and the implementation thereof.

Jakarta, April 2005

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Chapter 1

Introduction

1.1. Background

On 26 December 2004, an extremely strong earthquake (8,9 on the Richter scale) occurred below the Indian Ocean, northwest of Sumatra Island. This earthquake, that later caused a tsunami wave, ravaged the most part of Aceh and Nias in Indonesia, a part of Thailand, Sri Lanka, Maldives, Bangladesh, Myanmar, even Somalia's coast in East Africa.

In Aceh and Nias, the earthquake and tsunami wave damaged the most part of Aceh's coastal areas, claiming heavy casualties, destroyed infrastructure, settlements, social facilities such as schools, health centers, security, social and public economic, and government buildings. This disaster also affected the social and economic condition of the people, including their psychological condition and welfare level.

Based on recent information obtained from the National Coordination Agency for Disaster Mitigation and Refugee Management (Bakornas PBP) on March 21, 2005, the fatalities in 20 *kabupatens* in the Province of Nanggroe Aceh Darussalam (NAD)¹ are estimated to reach 126,602 people killed and interned, and 93,638 people missing. The number of fatalities in the Province of North Sumatra is estimated to reach 130 people killed and 24 people missing.² Based on the same source of information, the number of scattered refugees is 514,150 people in 21 *kabupaten/kota* the Province of Nanggroe Aceh Darussalam.

Based on calculations, total damage and losses of the two regions are estimated to reach Rp.41.4 trillion; most of them (78 percent) affecting non-public assets, with the remaining affecting government assets.

Given the aforementioned facts, the Indonesian Government, together with a sympathetic international community concerned with the disaster and its aftermath, has taken immediate emergency relief efforts mainly to help the survivors, to immediately intern the bodies in order to prevent further impacts, and to provide quick relief to save the socio-economic life of the affected people.

In turn, emergency relief efforts are to be followed by efforts to rehabilitate all aspects of life of the people of Aceh and Nias, and then to continually reconstruct and restore the regions into their initial, and even to a more advanced condition.

All future medium-term rehabilitation and reconstruction efforts for Aceh and Nias Islands should be based on a Rehabilitation and Reconstruction Master Plan founded on

¹ Data from the Department of Home Affairs on 9 March 2005 at 06:00 a.m.

² Data from Bakornas PBP, 14 March 2005.

various philosophies, norms, laws and regulations, and the aspirations of the affected people, in a comprehensive and holistic framework. The policies and strategies for the rehabilitation and reconstruction of NAD and Nias Islands, however, should be implemented within the context of the Unitary State of the Republic of Indonesia (NKRI) through the implementation of Special Autonomy in the Province of Nanggroe Aceh Darussalam as set forth in Law Number 18 year 2001. The aforementioned Special Autonomy has been intended to give freedom to the region in the governance, development and social aspects in line with the local values and cultures that are based on Islamic law. Meanwhile, the rehabilitation and reconstruction activities in Kabupaten Nias are implemented by utilizing the capacity of the Regional Governments of the Province of North Sumatra and *Kabupaten* Nias relatively unaffected by the tsunami, and by rebuilding damaged infrastructure and facilities.

1.2. Objectives

The Main Book of the master plan for the rehabilitation and reconstruction of Aceh and Nias Islands is to serve as guidelines for the following:

1. Create understanding and commitment of the central government, provincial, *kabupaten/kota* governments, the business community, the communities concerned, universities and academicians, NGOs, donor agencies and the international community for the future reconstruction of Aceh and Nias;
2. Prepare a post-earthquake-and-tsunami action plan for the Rehabilitation and Reconstruction of Aceh and Nias Islands that can be immediately implemented by related parties.
3. Coordinate, synchronize and integrate plans of various sectors, the business community and the community (stakeholders) for formulating the Action Plan for the Rehabilitation and Reconstruction of Aceh and Nias Islands based on timeframes, locations, funding sources and the parties in charge;
4. Disseminate and distribute data as well as information to local, national and international communities with respect to the disaster, disaster aftermath, damage and loss assessment, need assessment, as well as early warning system in anticipation of any exposure to disaster;
5. Promote solidarity, participation, and involvement of civil society in the plans and efforts for the rehabilitation and reconstruction of Aceh and Nias Islands through dialogue and public consultations;
6. Design a system and mechanism for the mobilization of funds originating from the State Budget (APBN), Regional Budgets (APBD), the communities concerned and the international community in an efficient, effective, transparent, participatory and accountable manner based on good governance principles.

1.3. Legal Basis

Formally, the legal basis underlying the preparation of the Master Plan for the Rehabilitation and Reconstruction for the Region and People of the Provinces of Nanggroe Aceh Darussalam and Nias Islands—North Sumatra is Presidential Instruction Number 1 Year 2005 concerning Emergency Relief Efforts and the Planning and Preparation of the Rehabilitation and Reconstruction for the Regions and People of the Provinces of Nanggroe Aceh Darussalam and Nias Islands, North Sumatra, in the Aftermath of the Earthquake and Tsunami, issued on 2 March 2005.

This Master Plan has been prepared by the Ministry of National Development Planning/BAPPENAS in cooperation with various related parties, such as ministries/institutions at the central level, as well as with the Regional Governments of the Province of Nanggroe Aceh Darussalam and all *kabupaten/kota* throughout Aceh and Kabupaten Nias, the Province of North Sumatra, and by involving various universities coordinated by Universitas Syiah Kuala, international donor communities, NGOs, and other related parties. Data and Information gathered include various related aspects, such as physical, economic, social, cultural, religious, demographic, institutional and territorial aspects.

This Master Plan has also been prepared based on a holistic, comprehensive and integrated analysis. Particularly for the Aceh region, 4 (four) values underlying the reconstruction of Aceh were taken into account, namely universalism, Indonesian values, Acehnese values, and Islamic values. This Master Plan has also been prepared by taking into account the 2004-2009 National Medium-Term Development Plan (RPJM), as well as the Regional RPJM of Nanggroe Aceh Darussalam and affected *Kabupaten/Kota* in Aceh and Kabupaten Nias, North Sumatra Province.

Particularly in the case of Aceh, several laws and regulations related to governance and development aspects in Nanggroe Aceh Darussalam, especially Law Number 44 Year 1999 concerning the Special Characteristics of Aceh, and Law Number 18 year 2001 concerning the Special Autonomy of the Province of NAD, as well as the Presidential Decree that underlies the implementation of Civil Emergency (*Darurat Sipil*) and Civil Order (*Tertib Sipil*) in Aceh, have served as special considerations in the preparation of the Master Plan for the rehabilitation and reconstruction of Aceh and Nias Islands.

1.4. Timeframe

The Master Plan for the Rehabilitation and Reconstruction for the Region and People of the Provinces of NAD and Nias Islands—North Sumatra covers a period of five years, that is 2004-2009, in line with the implementation period of the RPJM. Upon the expiration of the 2004-2009 RPJM, this rehabilitation and reconstruction master plan document will serve as a reference for the preparation of Aceh and Nias restoration and reconstruction follow-up plans in the longer run, as well as a reference for the preparation of the Regional Medium-term Development Plan (RPJMD) of the Province of Nanggroe Aceh Darussalam and *Kabupaten/Kota* in Aceh and Nias Regency in the Province of North Sumatra.

1.5. Systematics of the Master Plan Book

Overall, the Master Plan for the rehabilitation and reconstruction of NAD and Nias—North Sumatra consists of twelve books; one Main Book and eleven Detailed Books, namely:

1. Main Book : MASTER PLAN FOR THE REHABILITATION AND RECONSTRUCTION FOR THE REGION AND PEOPLE OF THE PROVINCES OF NANGGROE ACEH DARUSSALAM AND NIAS ISLANDS—NORTH SUMATRA
2. Detailed Plan Books
 - Book I : THE SPATIAL LAYOUT AND LAND AFFAIRS SECTOR PLAN
 - Book II : THE NATURAL RESOURCES AND ENVIRONMENT SECTOR PLAN
 - Book III : THE INFRASTRUCTURE AND HOUSING SECTOR PLAN
 - Book IV : THE ECONOMIC AND MANPOWER SECTOR PLAN
 - Book V : THE REGIONAL INSTITUTION SYSTEM PLAN
 - Book VI : THE EDUCATION AND HEALTH SECTOR PLAN
 - Book VII : THE RELIGIOUS, SOCIAL, CULTURAL AND HUMAN RESOURCES SECTOR PLAN
 - Book VIII : THE LEGAL SECTOR PLAN
 - Book IX : THE PUBLIC ORDER, SECURITY, AND RESILIENCE SECTOR PLAN
 - Book X : IMPLEMENTATION OF GOOD GOVERNANCE PRINCIPLES AND SUPERVISION
 - Book XI : FUNDING

The main book of the Master Plan for the rehabilitation and reconstruction of Aceh and Nias Islands—North Sumatra contains the description of the disaster aftermath and relief endeavors; as well as some fundamental principles, policies and general strategies for the implementation of rehabilitation and reconstruction. Furthermore, it also describes, in particular, spatial layout policies and strategies, and several cross-cutting issues that are related to the assistance to restore non-public productive assets, land ownership right, the handling of women and children disaster victims, and also security issues in managing rehabilitation and reconstruction.

This Master Plan has been formulated through various public consultation forums involving a broad range of stakeholders. The communities concerned and the business community need to be involved in the further management of rehabilitation and reconstruction in order to make it participatory and reflecting the aspirations of the communities concerned. The main book of this Master Plan also particularly highlights rehabilitation and reconstruction institutions.

The main book of the Master Plan also includes funding and accountability aspects as well as the supervision of the implementation of rehabilitation and reconstruction. It serves as general guidelines for the funding and supervision of the implementation of rehabilitation and reconstruction activities in general.

Each detailed plan book contains damage and loss inventory; efforts that have been and that are being made in the emergency response phase; targets, policy direction, and rehabilitation and reconstruction strategy; as well as detailed plans for rehabilitation and reconstruction activities in each sector described in terms of *Kabupaten/Kota*, cross-

Kabupaten/Kota, and other generally applicable activities that are not related to spatial utilization (aspatial).

For each of the above purposes, the detailed plan for each sector contains: the name of the program referring to the functions, sub-functions, and State Budget programs; the name of the activity concerned; targets (quantitative); target groups; scope of the activity concerned; success indicators; timetable; correlation with other programs/activities; implementing agency and person in charge; cost estimate and funding sources.

Chapter 2

Disaster Impacts and Mitigation Efforts

2.1 Depiction of Disaster and Estimated Impact of Disaster

The scale of the disaster can be seen from the large number of human victims and damage it incurred. 16 (sixteen) *kabupatens/kotas* were devastated. *Kota Banda Aceh*, *Kabupaten Aceh Jaya* and *Kabupaten Aceh Besar* are the *kabupatens* or *kotas* severely affected by the tsunami disaster. 654 villages (11.4 percent) and 63,977 underprivileged families (about 15.16 percent of the entire underprivileged families)¹ are affected by the tsunami.

To date, the number of discovered victims and the damage successfully inventoried keep increasing. The number of victims in 15 *kabupatens* in the Province of NAD² is estimated to have reached 126,602 dead and buried, while 93,638 people lost (from this number it is estimated that some have died/are in resettlement areas/outside Aceh). The number of refugees up to March 21, 2005 is 514,150 persons in 21 *kabupatens/kotas*³. In the meantime, the number of victims in the Province of North Sumatra is estimated to have reached 130 dead and 24 lost⁴.

As a whole, the earthquake disaster and tsunami tragedy in Aceh and North Sumatra is estimated to have resulted in a loss of about 2.7% of the National GDP or more than 97% of the Aceh Province's GRDP.

Table 2.1. Summary Result of Evaluation of Damage and Loss

Sector	Damage	Loss	Total
Social sector, including: housing, education, health, religion and culture	13,657	532	16,186
Infrastructure Sector, including: transportation, communication, energy, water and sanitation, dam	5,915	2,239	8,154
Production Sector, including: agribusiness, fishery, industry and trade	3,273	7,721	8,154
Cross-Sector, including: environment, Government Administration, banking and Finance	2,346	3,718	6,064
Total (Trillion of Rp)	27,191	14,210	41,401

Source: Damage and Loss Assessment, Bappenas and World Bank, January 18, 2004.

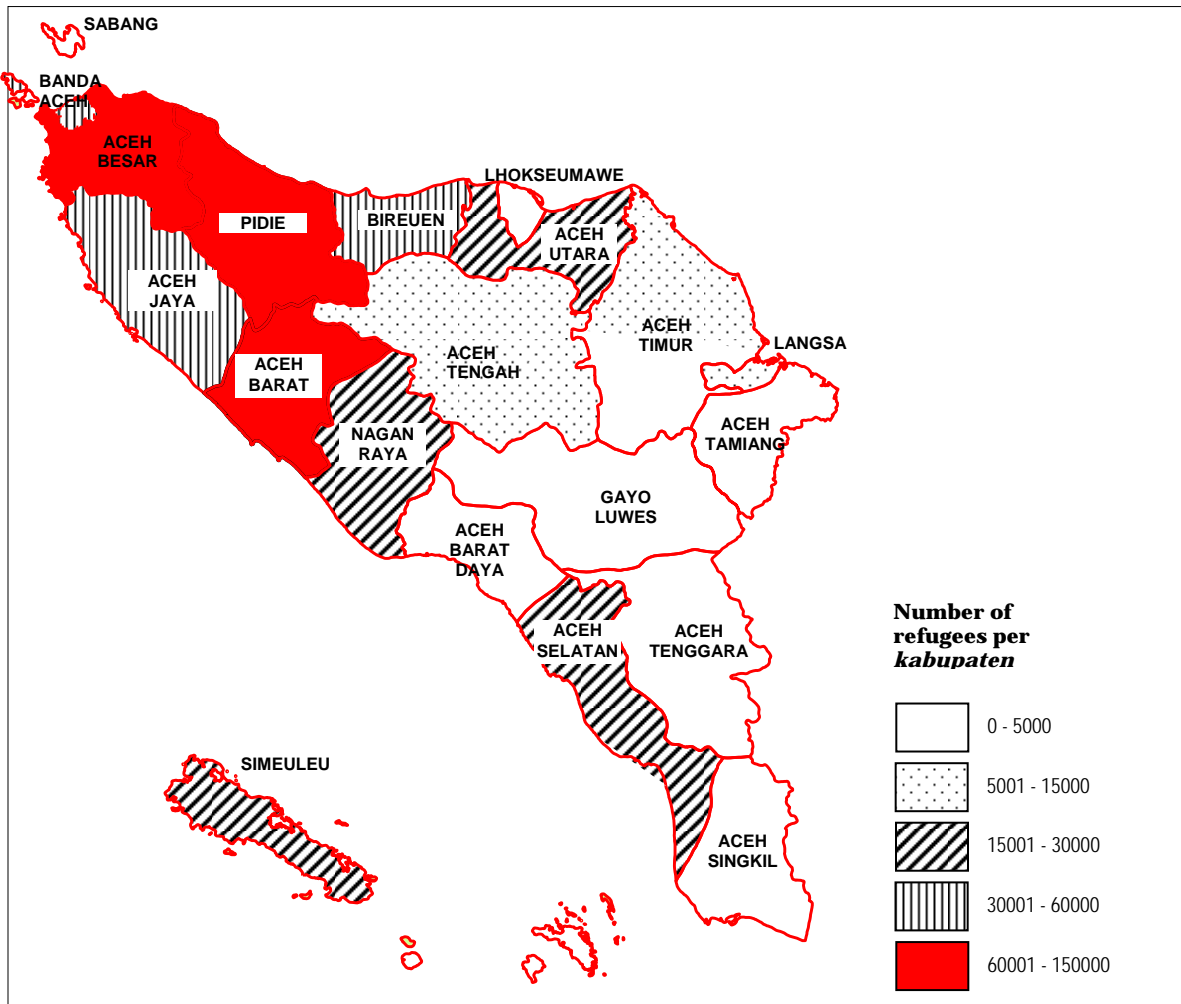
¹ Data from UNSYIAH for Aceh Reconstruction, March 7, 2005.

² Data from Bakornas PBP, March 21, 2005, at 17:00 West Indonesia Time

³ Collected Reports from Executing Units I, II, and III

⁴ Data from Bakornas PBP, March 21, 2005, at 17:00 West Indonesia Time

Figure 2.1: Number of Refugees per March 21, 2005



Data source: Bakornas PBP, March 21, 2005, at 17:00, West Indonesia Time

Table 2.2. Number of Refugees per Kabupaten/Kota

No.	Kabupaten/Kota	People's Houses / Temporary Tents	Barracks/ Temporary dwelling	Total
1.	Banda Aceh	48,360	1,561	49,921
2.	Aceh Besar	91,157	6,328	97,485
3.	Sabang	3,712	-	3,712
4.	Pidie	74,404	11,456	85,860
5.	Bireuen	46,768	3,035	49,803
6.	Aceh Utara	26,662	450	27,112
7.	Lhokseumawe	952	1,542	2,494
8.	Aceh Timur	13,182	527	13,709
9.	Langsa	6,156	-	6,156
10.	Aceh Tamiang	3,224	-	3,224
11.	Aceh Jaya	38,217	2,205	40,422
12.	Aceh Barat	70,804	1,885	72,689
13.	Nagan Raya	16,560	480	17,040
14.	Aceh Barat Daya	3,480	-	3,480
15.	Aceh Selatan	16,148	-	16,148
16.	Aceh Singkil	-	105	105
17.	Simeulue	18,009	-	18,009
18.	Bener Meriah	648	-	648
19.	Aceh Tengah	5,288	-	5,288
20.	Gayo Lues	234	-	234
21.	Aceh Tenggara	611	-	611
	TOTAL	484,576	29,574	514,150

Source: Report from Lhokseumawe Executing Unit I on March 18, 2005, revision to number of refugees in temporary dwelling

2.1.1 Social and Public Aspect

Other than casualties, the earthquake and tsunami disasters have also caused damage to various sectors and to the life sector. In **social and public** aspect, the damage occurs, among other things, to educational, health and religious sectors. In the educational sector, it is estimated that 1,168 schools experience the impact including minor damage, major damage or destruction, equal to 16.1% of the number of schools existing before the disaster. For each education level, 100 kindergartens/RA, 735 Primary Schools/MI, 201 Junior High Schools/MTs, 109 Senior High Schools/Vocational Secondary Schools/MA, 18 Universities/ Religious Universities and 5 Special Schools were identified as damaged. The total damage and loss in the education sector is estimated at Rp.1.0 Trillion.

In health sector, 6 hospitals were damaged namely: Dr. Zainoel Abidin Hospital, Banda Aceh Psychiatric Hospital, Meuraksa Temporary Hospital, Calang Temporary Hospital and Malahayati Hospital and Permata Hati Hospital. The following were also damaged, among other things, to 6 polyclinic units, 41 community health center units, 390 village polyclinic units, 59 sub-community health center units, 6 health polytechnic units, 3 health service offices units, health laboratory, 3 harbor health office units, 3

pharmacy warehouse units, center for supervision of medicine and food, and mobile community health center, ambulance. The total damage is estimated to be worth Rp.765.9 billion, while the loss is Rp.87 billion⁵.

In the religious sector, various places of worship and facilities of the Ministry of Religion Office including the Regional Office of the Ministry of Religion of Nangroe Aceh Darussalam Province, Hajj Accommodation of the Banda Aceh Embarkation, Ministry of Religion Office of the *Kabupaten/kota* and the Religious Affairs Office (KUA) were damaged. Damaged places of worship in Aceh comprised 1,069 mosques and musholla praying rooms, 8 churches, 2 shrines/Buddhist monasteries⁶. Whereas damaged places of worship in Kabupaten Nias comprised 8 churches, 2 mosques, 2 official housings of clergymen, and 2 houses of Christianity education teachers.

Viewed from the **aspect of women's empowerment and child protection**, it is estimated that the number of women in resettlement areas is about 37.1%; the pregnant 0.3% and nursing mothers 1%; many women must become family heads or breadwinners; the proportion of children among the refugee populations is around 15-25%; women and children in the resettlement areas have specific needs; the entire victims experienced physical and psychic traumas because many parents lost their children and children lost their families; the refugees have been scattered to some regions outside the Province of NAD, so that women and children become susceptible to trafficking.

2.1.2 Economic Aspect

Viewed from the aspect of economy, the disaster caused damage to the sectors of industry and trade, cooperatives, small and medium enterprises, farming and forestry, fishery and maritime as well as manpower affairs.

Estimate in the economic sector shows the number of Commercial Banks and Rural Banks affected by the tsunami is up to 17.61 percent (25 units) and 8.89 percent (4 units) respectively. About Rp.2 trillion of the total Rp.3.9 trillion in credits/loans extended by the banks, is estimated to become bad credits (IDB, January 2005)⁷.

In the industrial sector, the extent of damage to Small and Medium Industry (IKM) is estimated at an average of 65%, large industry at 60%. The infrastructure of the Ministry of Industry was also damaged. PT. Semen Andalas Indonesia was severely damaged. Another damaged state-owned enterprise (SOE), is PT. Fertilizer Iskandar Muda and PT. ASEAN Aceh Fertilizer. Damaged asset of manufacturing industry on a medium scale is estimated at Rp.84 billion. In addition, there are 92,000 small/home industries in Aceh and around 12,500 small home industries in Nias Islands were damaged. With the assumption that the average value of asset of small home industries is Rp.30 million, the total value of damage to small industry is estimated at Rp.3.1 trillion⁸. More specifically, the UMKM affected by the tsunami reached 20.88 percent (5,176 units), hotels 30.41 percent (59 units), restaurants 17.20 percent (1,119 units), markets 1.29 percent (195 units), and small shops up to 16.71 percent (7,529 units)⁹.

⁵ Data from the World Bank.

⁶ Data from the Ministry of Religion

⁷ Quoted from the book UNSYIAH for Aceh Reconstruction, March 7, 2005.

⁸ Data from the Ministry of Industry and the World Bank

⁹ Based on data from UNSYIAH for Aceh Reconstruction, March 7, 2005

Damaged **trade** facilities in Aceh estimated to comprise 65 shopping complex groups, 54 permanent markets, 69 non-permanent markets, 69 supermarkets, 1 animal market, 19 fish markets, 25 commercial banks and 4 rural banks. 59 hotels and places of accommodation and small enterprises engaging in the sectors of timber business, leather, iron, ceramics, clothing and food processing¹⁰ were also damaged.

In the agricultural and forestry sectors, 23,330 ha of rice field and 22,785 ha of cultivated land dependent on rainfall were damaged. In that area there were food crops and horticulture exploited by the local farmers. The tertiary and fourth irrigation network in 31 *kecamatan*s (8 *kabupaten*s) with an irrigation area of 8,275 ha was damaged. Damaged plants in the people's plantation covered an area of 43,500 ha comprising 23,533 ha of coconut, 5,395 ha of rubber, 6,242 ha of coffee, 6,931 ha of cashew, 1,600 ha of oil palm, 2,761 ha of areca nut, 2,768 ha of cacao, 710 ha of patchouli, 4,600 ha of clove, 1,808 ha of nutmeg, and 218 ha of ginger. In addition to the above, various equipment like hand tractor, water pump, large tractor, processing devices for patchouli, rubber, coconut oil, jerked meat processing device and so forth were damaged. Farming land lost its fertility due to mud, salting, sand, erosion, and so forth, with an estimated area of 5000-7000 ha of soil being lost permanently¹¹. The recapitulation of the agricultural and forestry sectors based on the data from the Ministry of Agriculture is as follows:

Table 2.3 Recapitulation of Damage in the Agricultural Sector¹²

No.	<i>Kabupaten</i> and <i>Kota</i>	Rice field (ha)	Garden (tree)	Field (ha)	Lost Livestock (animal)
1	Sabang		4,147		32,061
2	Banda Aceh	75		50	332,505
3	Aceh Besar	5,611	7,048	9,465	500,000
4	Pidie	1,859	11,304	3,072	238,301
5	Bireuen	2,118	9,575	567	153,961
6	Aceh Utara	1,224		612	74,460
7	Kota Lhokseumawe				27,292
8	Aceh Timur	2,119			
14	Aceh Barat	1,432	14,950	1,114	251,962
15	Nagan Raya	757	14,895	1,560	137,765
16	Aceh Jaya	1,645	12,240	3,068	156,280
17	Simeulue	3,410	14,937	79	
18	Aceh Selatan		9,636		
19	Aceh Barat Daya	3,080	3,729	4,758	
20	Aceh Singkil				
	Total	23,330	102,461	24,345	1,904,587

In the sector of fishery and maritime. Particularly in the fishery sector, there are 19 units (0.37 percent) of TPI (places of fish auction) damaged¹³, and 32 out of 72 units of Fish Landing Base (PPI) scattered in 8 *kabupaten*, experienced the impact of tsunami,

¹⁰ Data from Mapframe ADB

¹¹ Data from the Ministry of Agriculture and the World Bank

¹² Team for Coping With National Disaster, the Ministry of Agriculture, 2005.

¹³ Data from UNSYIAH for Aceh Reconstruction, March 7, 2005.

namely 5 in Kabupaten Aceh Besar, 6 in Kabupaten Pidie, 10 in Kabupaten Aceh Utara, and 8 in Kabupaten Aceh Barat. Whereas in Nias Islands, North Sumatra, there is 1 Fish Landing Base (PPI) in the Market of Sirombu experiencing the impact of tsunami.

9,563 of 16,070 units of catching fishery fleet in Aceh, experienced the impact of tsunami, including 3,969 units (41.5%) of boats without motor, 2,369 units (24.8%) of boat with outboard motor, and 3,225 units (33.7%) of motor boats sized between < 5 GT and 50 GT.

In the meantime, most fishpond farms in the Province of NAD scattered in 11 coastal *kabupaten/kota* experienced a direct impact of the earthquake disaster and tsunami, with a total area before the disaster being 36,614 ha¹⁴.

In the **sector of manpower**, an estimated 25% of 2,254,155 labor force in Aceh, lost their work due to the natural disaster, 30% in agricultural sector lost their work due to damaged soil and around 170 thousand people in the SME sector lost their work. In addition, it is estimated that 60,000 job opportunities lost because of the worker's death, and assumed that 130,000 fishermen lost their work at least temporarily. The total unemployment rate is estimated to have reached 30% in the disaster area¹⁵.

2.1.3 Infrastructure Aspect

The impact of disaster on the **infrastructure sector** includes the damage suffered by the sectors of housing, transportation, energy and electricity, postal and telecommunications service, drinking water and sanitation, water resources, as well as infrastructure and other facilities.

In the housing sector, the total number of modern, semi-modern and traditional houses that are totally or partially damaged is estimated to have reached 252,223 houses¹⁶. Along the West and North Coasts covering Banda Aceh, Aceh Besar, Aceh Jaya, Aceh Barat, Nagan Raya, Pidie, Bireuen, and Aceh Utara also suffered serious damage. The total loss is worth Rp.13 trillion including the value of the damaged housing, basic infrastructure and household appliances¹⁷. The recent earthquake on March 28, 2005 also affected Kabupaten Nias and Kabupaten Nias Selatan in North Sumatra and Aceh Singkil in NAD.

The transportation sector comprises land, sea, and air transportation. For land transportation, the condition of national and provincial roads before the earthquake and tsunami disaster could be classified as 32.7 percent in good condition, 35.8 percent with minor damage, and 31.5 percent major damage. In the aftermath of the earthquake and tsunami disaster, the condition worsened to only around 28.4 percent in good situation, whereas the remaining 71.6 percent was in damaged condition (35.7 percent with minor damage and 35.9 percent major damage). For bridges, the damage is estimated to have reached 25 percent of the total national bridges (21,340 m) and the provincial bridge (14,015 m)¹⁸. In the West Crossing (Banda Aceh-Lamno-Calang-Meulaboh-Tapak Tuan-Bakongan), the minor and major damage suffered by roads is around 280.36 km, along

¹⁴ Data from the World Bank

¹⁵ Data from the Ministry of Manpower and Transmigration and the World Bank

¹⁶ Data from the Ministry of People's Housing

¹⁷ Data from the World Bank

¹⁸ Data from the Province of NAD's Service for Regional Infrastructure

with damaged bridge of around 3,781 m; In the East Crossing (Banda Aceh-Sigli-Bireuen-Lhokseumawe-Langsa), the damaged road is around 243.86 km and bridges up to 1,703 m; damaged roads in the Central Crossing and Connector of the East-West Crossing were around 337.54 km and bridges as far as 150 m; and damage suffered by another road segment is around 763.35 km and bridges 340 m. In the meantime, in the province of North Sumatra particularly in Nias, the Route of Lolowau-Sirombu and Tuhemberua-Lahewa was damaged as far as around 5 km, as well as damaged floor and *oprīt* in some bridges.

Besides, most of bus stations in three large cities namely Banda Aceh, Meulaboh, Lhokseumawe, were seriously damaged, whereas the bus stations in Sigli, Langsa, Bireuen, Gunung Sitoli, and Perum Damri Banda Aceh were damaged at varied levels between minor and medium. Weighbridge, Motor Vehicle Inspection Unit (PKB), and traffic signs and road markings were also damaged.

Sea and ASDP (River/Lake Crossing Transportation) ports are in a condition of varied damage, while some harbors are in an operation-worthy condition. Harbors along the West Coast and North Coast were damaged at various levels. The seriously damaged harbors include Malahayati, Ulee Lhue, Calang, and Meulaboh, whereas Harbors of Sabang, Lhokseumawe, Susoh, Tapak Tuan, Singkil, Sinabang, Balohan, Labuhan Haji, Lamteng, Pulau Banyak, and Singkil were lightly damaged.

Some of the airport infrastructure was seriously and lightly damaged, whereas some are in an operation-worthy condition. Cut Nyak Dien Airport in Meulaboh is in such a condition that the runway is broken and cracked; Maimun Saleh Airport in Sabang City has a good runway condition but the communication system is damaged; Sultan Iskandar Muda Airport - Banda Aceh has a good runway condition but its tower was damaged; Cut Ali Airport - Tapak Tuan is in an operation-worthy condition; the runway of Lasikin Airport - Sinabang sank; Malikul Saleh Airport - Lhok Seumawe is in an operation-worthy condition; and Rembele Airport - Tekengon is in an operation-worthy condition.

The energy and electricity sector is in a damaged condition and had a varied level of decline in the operation. In general, the system of all working territories of the electricity branch unit was damaged, including the Generation (PLTD), Distribution System, and other supporting facilities. The most seriously damaged regions are the working territory of Banda Aceh Branch of State Electric Company covering Banda Aceh Municipality and Kabupaten Aceh Besar, and the working territory of Meulaboh Branch covering Kabupaten Aceh Jaya, Aceh Barat and Nagan Raya. The damaged distribution network includes: (i) The isolated m-system Voltage Network particularly in the central and west parts of NAD territory. The Medium Voltage Network (JTM) as far as 1,046 km (11.76 percent); (ii) Low Voltage Network (JTR) as far as 2,394 km (21.61 percent); (iii) Distribution relay station as many as 736 units (16.24 percent); (iv) House Connections (SR) for as many as 119,253 customers (18 percent); and (v) Connecting Relay Stations (GH) as many as 6 units (7.44 percent). Damaged power stations includes 16 units of diesel powered electric generators (PLTD) or 7.44 percent; whereas other damages includes electronic meters as many as 246 units (41.48 percent) and office buildings as many as 6 units.

In the **energy sector**, Kreung Raya and Meulaboh suffered losses due to the tsunami disaster. In addition, there are some lightly damaged Depots namely in Lhokseumawe,

Gunung Sitoli and Sabang. The Pertamina Office in Banda Aceh was seriously damaged. The following are damaged fuel filling-up networks in some places, particularly in Banda Aceh namely up to 3 SPBU service stations; 3 SPBN service stations in Lamputo, Sigli and Meulaboh; 3 SPDN service stations in some KUDs lost 17 kerosene tank trucks, and more or less 12,500 LPG gas cylinders @ 12 kg and hundreds of lubricant cartons.

In the **post and telecommunications service sector**, 19 post offices were seriously damaged even some of them were razed to the ground. Many of cellular telecommunications facilities owned by PT. Indosat, PT. Telkomsel, PT. Telkom, and PT. PSN were damaged, particularly in the BTS stands in the west coast areas and the fix-phone network in the disaster area. The rural telephone facilities with PFS technology in the Province of Nanggroe Aceh Darussalam were damaged up to 66 Telephone Line Units, in Nias Islands-North Sumatra up to 6 Telephone Line Units. Whereas damaged telecommunications facilities using the radio technology were 62 Telephone Line Units in the Province of NAD and 9 Telephone Line Units in Nias Islands-North Sumatra.

In the **drinking water and sanitation sector**, the following drinking water supply network, facilities for handling wastewater, garbage disposal, and drainage, were damaged at the damage levels of between 10% to 90%. The following were also damaged, among other things, the intake structure, installation (the unit of Water Processing Installation/IPA), drinking water distribution-piping network, facilities for Faecal Matter Processing Installation (IPLT), and facilities for Final Place of Disposal (TPA). In addition, almost the entire networks of macro and micro drainage do not function as sand, mud, and ruins of buildings cover them.

In the **water resources sector**, irrigated land of around 33,142 ha comprising 13,698 ha in the coastal area and 19,444 ha in the non-coastal area were damaged; river infrastructure 46.20 km in length, the large, medium and small rivers was damaged; and the coast protection structure 35.06 km in length was damaged, too. Most of the damaged water resource infrastructure and facilities were in the West and Northeast coastal region of the Province of Nanggroe Aceh Darussalam. Flood controlling structures and the wave breaker system were seriously damaged. As seen from the satellite sensing, the flood protection structure, whose construction has just been underway at the estuaries of Krueng Aceh was seriously damaged, namely more than 2 kilometers in length towards the dry land.

2.1.4 Governmental Aspect

Viewed from the **governmental aspect**, the damage/loss includes: (a) the local and central apparatuses, head of the local government and member of the Regional People's Legislative Assembly (DPRD); (b) government facilities /infrastructure at the levels of Province, *Kabupaten/Kota*, *Kecamatan*, *Mukim* up to *Kelurahan/Village* level; and (c) administrative border.

- (a) Local and central apparatuses, region heads and DPRD members: based on the data collected in the field, the total number of local government apparatuses throughout the Province of NAD (Province, *Kabupaten/Kota*) is 76,655 persons. 2,992 of this number, died, while the number of those reported missing is 2,274 persons. The dead head of the local government was the Mayor of Banda Aceh, and the missing official was the Regent of Southwest Aceh. In the meantime, 3

- Members of the Provincial DPRD and 1 Member of the Kabupaten Aceh Barat's DPRD died. The central apparatuses with data on record include: National Land Agency: 40 persons died; the Office of Attorney General: 105 person died; Indonesian National Army: 63 persons died and 302 persons missing; and Police of the Republic of Indonesia: 170 persons died and 952 persons missing.
- (b) Seriously damaged facilities and infrastructure of office buildings in the territory of Nanggroe Aceh Darussalam after the disaster are found in 4 *kabupaten* and at provincial level: (1) the Provincial Government of NAD, (2) Banda Aceh City, (3) Kabupaten Aceh Barat, (4) Kabupaten Aceh Besar and (5) Kabupaten Aceh Jaya. At *kecamatan* level, 24 of 241 *kecamatan* are not functioning. The *Kabupaten/Kota* with more than 50% of the number of *kecamatan* still being not functioning is Kabupaten Aceh Jaya. At *desa/kelurahan* level, 640 of 5,947 *desa/kelurahan* are not functioning. Based on the recent data, the earthquake on March 28, 2005 also damaged the Simeuleu Regent Office. The Regent Office and the offices of 4 *kecamatan* heads were damaged in Kabupaten Nias.
- (c) *Regional administration*. The disaster has caused changes to the regional administrative borders. Quite a large change to the area of the territory occurred in Banda Aceh, namely including up to 67% of the initial area. Whereas rural areas on average were changed due to the sinking villages from around 10% to 20%, with the largest change being on Ule Lhee village (from 67 ha to 54 ha) and Alue Naga village (from 242 ha to 194 ha).

Estimated loss in the government sector amounts to Rp. 338,835 Billion due to damage to the government buildings at the levels of province, *kabupaten/kota*, *kecamatan*, *kelurahan/desa*, and the damaged equipment and documents as well as the missing and dead apparatuses of the local government.

2.1.5 The Environmental Aspect

Viewed from the **environmental** aspect, the damage includes damage to the mangrove, coral reef, and seaweed cultivation, rice field, loss of livestock, water pollution, air pollution, and solid waste. The damage is estimated to occur to 90% of the 525 ha of mangrove, 30% of the 97,250 ha of coral reef and 20% of the 600 ha of seaweed farming. Based on the result of monitoring on the water quality, the water is blackish brown, muddy and smelly. Another parameter in excess of the standard quality is the concentration of Ammonia, the Total Coliform and distribution of E. coli. The air pollution level in the disaster area is quite high particularly for particulate/dust coming from the dry mud. Pollution of solid waste takes place due to the waste of ruins of building, waste of things and materials owned by the community, sea materials, decaying human corpses, animal carcasses, and mud from the tsunami. In some places, the content of heavy metals of Cd, Cu, and Pb in the mud of tsunami has exceeded the set limit.

654 of 5,736 villages in 17 *kabupaten/kota* are estimated to have been affected by the disaster, and in regard to land use, the entire land experiencing the impact of disaster is estimated to have reached 667,066 ha from around 4 million ha of land in 17 *kabupatens/kotas*. The community's damaged rice field has reached 20,101 ha. The non-agricultural land, which also experienced the disaster impact, includes 113,929 ha of

plantation, 91,517 ha of state-owned land, 44,312 ha of housing, and 1,714 ha of industrial complexes. There are regions sinking in 4 *kecamatan*s namely in *Kecamatan* Meuraya, Syiah Kuala, Kuta Raja and Jaya Baru. In the meantime, the number of pieces of registered land in the disaster area is 405,755 out of an estimated 1,498,200 pieces of existing land in the Province of NAD.

The damaged west coast can be divided into three areas with the following characteristics:

1. Coast with thin dry land and steeply sloping hills. The distance of the hills from the coast is more or less 0-1.5 km, so that the existing settlements are generally lost, and many populations (victims being around 90%) could not escape because generally the steeply sloping hills/mounts are nearly 90 degree, and have sandstone (cannot be climbed). Only few areas have access to sloping high dry lands. Such areas include: Lho'nga, Leupung, Jeumpa, Lhong.
2. Coast with dry land with some small hills in the middle. This area includes Lamno, Lhok Krut, Calang, Panga.
3. Coast with marshy dry land. This area includes: Suak Timah, Meulaboh, Coastal Areas of Kabupaten Abdya.

2.2 Disaster Impact Mitigation Efforts

The disaster impacts are mitigated through emergency response and recovery of the condition of the Aceh and Nias community and territory. The mitigation efforts are made systematically, comprehensively, efficiently in the use of resources, and effectively in providing aid for the groups of victims. The mitigation and recovery efforts use a comprehensive and integrated approach made in three stages, namely emergency response, rehabilitation and reconstruction to be going on simultaneously in the implementation of the disaster impact mitigation, namely:

- 1. Emergency Response Stage (January 2005 - March 2005)**
This is aimed at rescuing the surviving community members and to immediately fulfill their minimum basic needs. The main goal of this response stage is humanitarian rescue and aid. At this response stage, it is also endeavored to complete decent temporary places for refuge, and quick logistic arrangement and distribution that can reach the intended target namely the disaster survivors. At the outset of the disaster, the Stage of Emergency Response was set for 6 months since the disaster. Nevertheless, after the stipulation of Presidential Instruction Number 1 Year 2005, this Response Stage was shortened to 3 months and it will end on March 26, 2005.
- 2. Rehabilitation Stage (April 2005 - December 2006)**
This is aimed at urgently recovering and restoring the functions of structures and infrastructures to follow up the stage of emergency response, such as the rehabilitation of mosques, hospitals, basic social infrastructures, as well as economic infrastructure and facilities that are badly needed. The main goal of this rehabilitation stage is to enhance public services up to an acceptable level. At this rehabilitation stage, it is also endeavored to solve various issues related to the legal aspect through settlement of rights on land, and to the psychological aspects through the handling of disaster victims' trauma.

3. Reconstruction Stage (July 2006 - December 2009)

This is aimed at reconstructing the areas of city, village and agglomeration of areas by involving all communities of disaster victims, the experts, representatives of non-government organizations, and the business community. Once the adjustment to spatial structure plan has been completed at provincial level and particularly at *kabupaten and kota* levels, particularly in coastal areas, infrastructure and facility construction must start. The main goal of this reconstruction stage is to reconstruct the areas and communities affected by the disaster directly or indirectly.

Since the earthquake and tsunami natural disasters took place on December 26, 2004, the Government has made the following mitigation efforts:

1. Declaring the disaster in Aceh and North Sumatra a national disaster.

The Indonesian President issued a Presidential Decree dated 27 December 2004 declaring the earthquake and tsunami wave natural disasters in Aceh and Nias Islands, North Sumatra a national disaster, and furthermore issued 12 directives to the entire United Indonesian Cabinet, NAD Governor and Nias Regent to act immediately and comprehensively in the emergency response handling of the natural disaster.

As a follow-up to the directives, the President has issued Instruction Number 1 Year 2005 regarding the Emergency Response and Rehabilitation and Reconstruction Planning and Preparation in the post- Earthquake and Tsunami disaster in Nanggroe Aceh Darussalam and Nias Islands, North Sumatra.

2. Mobilizing national and regional resources for emergency handling efforts

At the initial stage, the Deputy Governor of Nanggroe Aceh Darussalam directly coordinated and controlled the mitigation efforts and emergency handling efforts until the establishment of the Special Coordinating Unit for Aceh by the issuance of Decree Number 1 Year 2004 dated 30 December by Chairperson of Bakornas PBP chaired directly by the Vice President and the Coordinating Minister for People's Welfare as the executive Chairperson and the Deputy Governor of NAD as the Implementer at Provincial level, having the Command Post in the Audience Hall of NAD's Governor. The members of the team also include officials of ministries/related agencies.

Considering the very wide impact of the disaster, in order to strengthen the PBP Satkorlak in the NAD Province, furthermore the Central Government issued Decree Number 3 Year 2005 dated January 18, 2005, assigning the Coordinating Minister for People's Welfare as Chairperson of the Special Satkorlak, the Army Deputy Chief of Staff as Vice Chairperson I and NAD Deputy Governor as Vice Chairperson II, to specially coordinate the recovery of governmental functions.

Operationally, the activities of emergency response are focused on the following:

- a) evacuation and burial of the victims' dead bodies
- b) handling of refugees
- c) provision of emergency aid
- d) healthcare, sanitation and water supply
- e) city cleaning up
- f) preparation of temporary dwelling

International support is very helpful to accelerate the effort of emergency response, namely through the rescue team, medical team, and transportation facilities in the form of ships and helicopters.

3. Recovering local government functions

The emergency response activities are coordinated through the Command Post (*Posko*) mechanism comprising:

- a) PBP National *Posko Bakornas* at the Vice President's Office
- b) Special Main *Posko Satkorlak* in Banda Aceh, Logistic Supporting *Posko* in Medan, Batam and Sabang;
- c) Special *Satlak Posko (Satlaksus)* in three areas, namely: Satlaksus I in Lhokseumawe, Satlaksus II in Banda Aceh, and Satlaksus III in Meulaboh.

Since there were many Local Government apparatuses affected and becoming the victims of the disaster, and to ensure the service continuity of the Local Government Administration, the Ministry of Home Affairs has dispatched Assistance Teams with 156 members to 20 *kabupaten/kota* and provinces, comprising officials of echelon I to IV, as well as the STPDN lecturers and students. These assistance teams are directly under the coordination of the NAD Deputy Governor as the person in charge of the recovery of the functions of local government administration.

2.2.1 Emergency Response

At the stage of emergency response, the National Coordinating Agency for Disaster Mitigation and Refugee Management (Bakornas PBP) presided over by the Vice President has coordinated these following emergency efforts:

- (a) Immediately helping the disaster survivors;
- (b) Immediately burying the victims' dead bodies;
- (c) Immediately enhancing basic facilities and infrastructure to be able to provide adequate services for the victims.

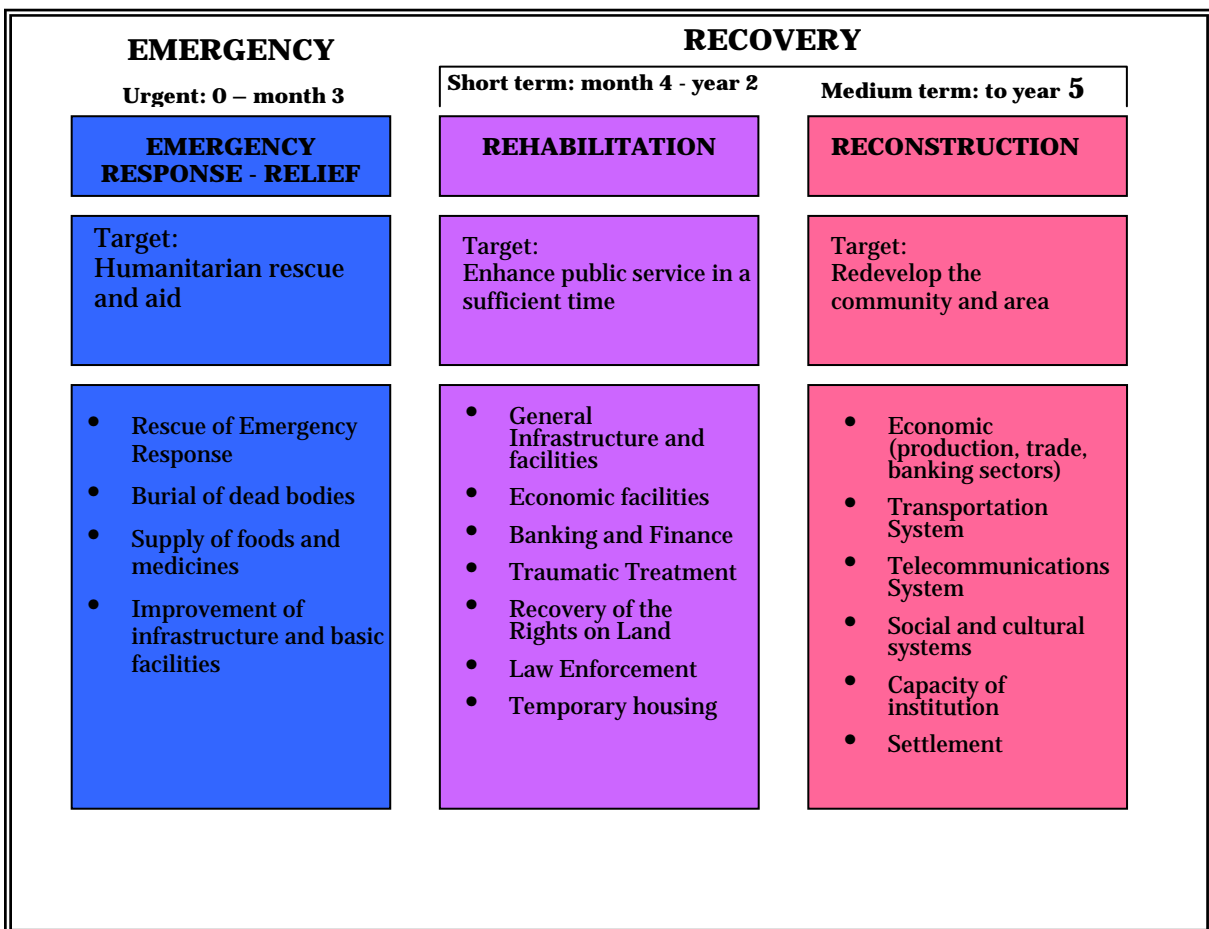
The international community also pays great attention, as shown by the great willingness (commitment) of the multilateral and bilateral donors, and world communities' readiness to provide assistance. For the emergency response efforts alone, it is recorded that approximately more than 700 million US dollars have been granted by various donors to the Government of Indonesia on different occasions.

On January 6, 2005, at the initiative of Singaporean Prime Minister Lee Hsien Long, an international meeting was held in Jakarta namely the Asean Leader's Meeting on Aftermath of Tsunami Disaster, opened by the President of the Republic of Indonesia, attended by Secretary General of the United Nation Kofi Annan, the United States Secretary, Australian Prime Minister John Howard, Malaysian Prime Minister H.M. Abdullah Badawi, Presidents of Laos, Thailand, Sri Lanka, India, and other countries affected by the disaster as well as representatives from multilateral donor agencies (the WB, ADB, UN, etc) and bilateral donor agencies (United States, Japan, Netherlands, etc).

In the context of implementing systematic and comprehensive emergency response, rehabilitation, and reconstruction efforts in Aceh and Nias Islands in North Sumatra, the government has coordinated the handling process as follows:

- (a) Coordinating the implementation of aid and rescue efforts as well as enhancement of the emergency response stage carried out by *PBP Bakornas* by forming the National Aceh Disaster Posko, Regional Posko in Banda Aceh, and Satkorlaks.
- (b) Coordinating the post-disaster rehabilitation and reconstruction planning carried out by the Office of State Minister for the National Development Planning/Bappenas by mobilizing various potentials and teams in different ministries/LPND, universities and communities.
- (c) Coordinating the implementation at the rehabilitation and reconstruction stage carried out by the Coordinating Minister for Economic Affairs along with related government agencies.

Figure 2.3. Earthquake and Tsunami Disaster Mitigation Efforts Stages and Plan for Rehabilitation and Reconstruction of NAD and Nias Islands North Sumatra Provinces



2.2.2 Rehabilitation and Reconstruction

The rehabilitation and reconstruction stage is a continuation stage of the emergency response stage with the purpose of restoring public services in a sufficient time and redevelop the community of Aceh and Nias in the context of social, economic, cultural and political life in accordance with the aspiration and the community's demand.

The rehabilitation and reconstruction efforts are preceded by preparation of the master plan for rehabilitation and reconstruction of Aceh and Nias Islands, North Sumatra. For that purpose, the Government has issued a Presidential Instruction Number 1 Year 2005 concerning the Emergency Response, and Rehabilitation and Reconstruction Planning and Preparation in the Post- Earthquake and Tsunami Disaster in Nanggroe Aceh Darussalam and Nias Islands North Sumatra Provinces.

Through the Presidential Instruction, the State Minister for the National Development Planning/Head of National Development Planning Agency is instructed to prepare a master plan for the rehabilitation and reconstruction of Aceh and Nias Islands, North Sumatra, translated in the directions of policy, strategy, as well as its main activity and period of implementation.

To carry out the mandate in that Presidential Instruction, the State Minister for the National Development Planning/Head of Bappenas has taken various steps of coordination at the central level in a cross-sectoral manner and has been consulting intensively with the Local Government of Nanggroe Aceh Darussalam and North Sumatra Provinces as well as with various related stakeholders, such as academicians, non governmental organizations, and the donor agencies/countries, and has issued a Decree No. 174B/MPPN/03/2005 concerning the Establishment of Coordinating Team of Plan for Rehabilitation and Reconstruction for the Region of Aceh and Nias, North Sumatra (R3WANS).

In an effort to formulate an integrated, synergic and aspirational draft master plan for R3WANS, Bappenas, Local Government of NAD Province and University of Syiah Kuala has made an agreement set forth in the form of Memorandum of Understanding, in order to receive inputs from the local community to enhance the draft master plan, with the initial concept prepared by Bappenas.

In addition, in order to capture a dynamic and expanding aspiration in the community, various forums of seminar, workshop, and consultation have been organized with the purpose of disseminating the initial draft blueprint, and at the same time to capture the aspiration and hope as well as the real need of the entire components of society, particularly the community groups affected by the disaster. The arrangement for public consultation has been made at central and regional levels.

In order to disseminate the entire process and progress of activities carried out by the R3WANS Team in Bappenas and in the region, a website, www.acehreconstruction.bappenas.go.id and its international version, www.e-aceh.org have been built, which have received appreciation from many related parties, with a continually updated information in accordance with the progress in the formulation of the master plan by the R3WANS Team.

In strengthening the prepared draft master plan, particularly as related to the aspect of funding, various coordination meetings have been held with the donor community, designed to receive substantive inputs and at the same time to solicit continued commitment from each of the donors to help the Government plan and further implement the R3WANS activities. Effort to solicit the commitment of the donor community has been made by tracking the information on the 'pledge' and commitment they conveyed at the session of Consultative Group on Indonesia (CGI) held last January 2005 to monitor the consistency of the commitment to become one of the sources of funding for further implementation R3WANS activities. To date, the Government of Indonesia has signed Memoranda of Understanding (MoU) with the Government of Australia, ADB and World Bank.

Viewed from the institutional aspect of R3WANS implementation, the Bappenas R3WANS Team together with the Ministry of Home Affairs under the coordination of the Vice President have also formulated various drafts for the establishment of an Implementing Agency (Bapel) for the Rehabilitation and Reconstruction of Aceh and Nias Islands, North Sumatra.

The master plan formulated by the Government will be set forth in a law product, to be made as general guidelines and operational reference for the R2WANS Implementing Agency and for the NAD Local Government and the Kabupaten Nias Government in managing and conducting the Aceh and Nias Islands rehabilitation and reconstruction activities in a period of three up to five years to come, according to the need.

Chapter 3

Basic Principles and General Policy

The main points of this chapter describe the vision and mission, basic principles and general strategy to be applied in the implementation of the master plan for the rehabilitation and reconstruction of Nanggroe Aceh Darussalam and Nias Islands, North Sumatra. The description is formulated based on the policy and strategy set out in the detailed plan books, with the objective of emphasizing policies to be considered in the implementation of rehabilitation and reconstruction.

3.1 Vision and Mission

The agreed vision and mission of the rehabilitation and reconstruction of **Aceh** are as follows:

The vision of the reconstruction of the Future Aceh is to realize an Acehnese community that is advanced, fair, safe, peaceful, and prosperous based on Islamic values and take into account Aceh's dignity in the context of the Unitary State of the Republic of Indonesia and in the universal perspective.

To realize this vision, the mission is to:

1. Totally apply Islamic Law in all aspects of life.
2. Enhance human resource quality that is prominent and competitive in the mastery of science and technology as well as in faith and devotion.
3. Develop and manage natural resources wisely and in accordance with their supportability.
4. Develop a prominent, competitive and fair regional economic system based on social economy.
5. Develop a reliable and efficient infrastructure system.
6. Develop and preserve Aceh's cultural and traditional values that support sustainable development.
7. Enhance the bureaucratic competence of the local governments concerned to achieve professional, dignified and trustworthy qualities.
8. Enhance the community's understanding of solidarity as a nation and a state in the context of the Unitary State of the Republic of Indonesia and in the context of the global community.
9. Strengthen the implementation of local government's authority in accordance with Law No. 18 year 2001 regarding the Special Autonomy of the Province of Nanggroe Aceh Darussalam.

The agreed vision and mission of the rehabilitation and reconstruction of Nias Islands are as follows:

The vision of the reconstruction of the Future Nias is to realize a community of Nias that is advanced, fair, safe, peaceful, and prosperous based on the cultural values in the context of the Unitary State of the Republic of Indonesia.

To realize this vision, the mission is the following:

1. Enhance human resources quality that is prominent in the mastery of science and technology.
2. Develop and manage natural resources wisely and in accordance with its supportability.
3. Develop a regional economic system that is prominent, competitive and fair based on social economy.
4. Develop a reliable and efficient infrastructure system.
5. Develop and preserve Aceh's cultural and customary values supporting sustainable development.
6. Enhance the bureaucratic competence of the local governments concerned to achieve professional, dignified and trustworthy qualities.

3.2. Basic Principles for Rehabilitation and Reconstruction

To realize the above vision and mission, the rehabilitation and reconstruction for the region and people in the Provinces of NAD and Nias Islands, North Sumatra, are to be implemented based on the following principles:

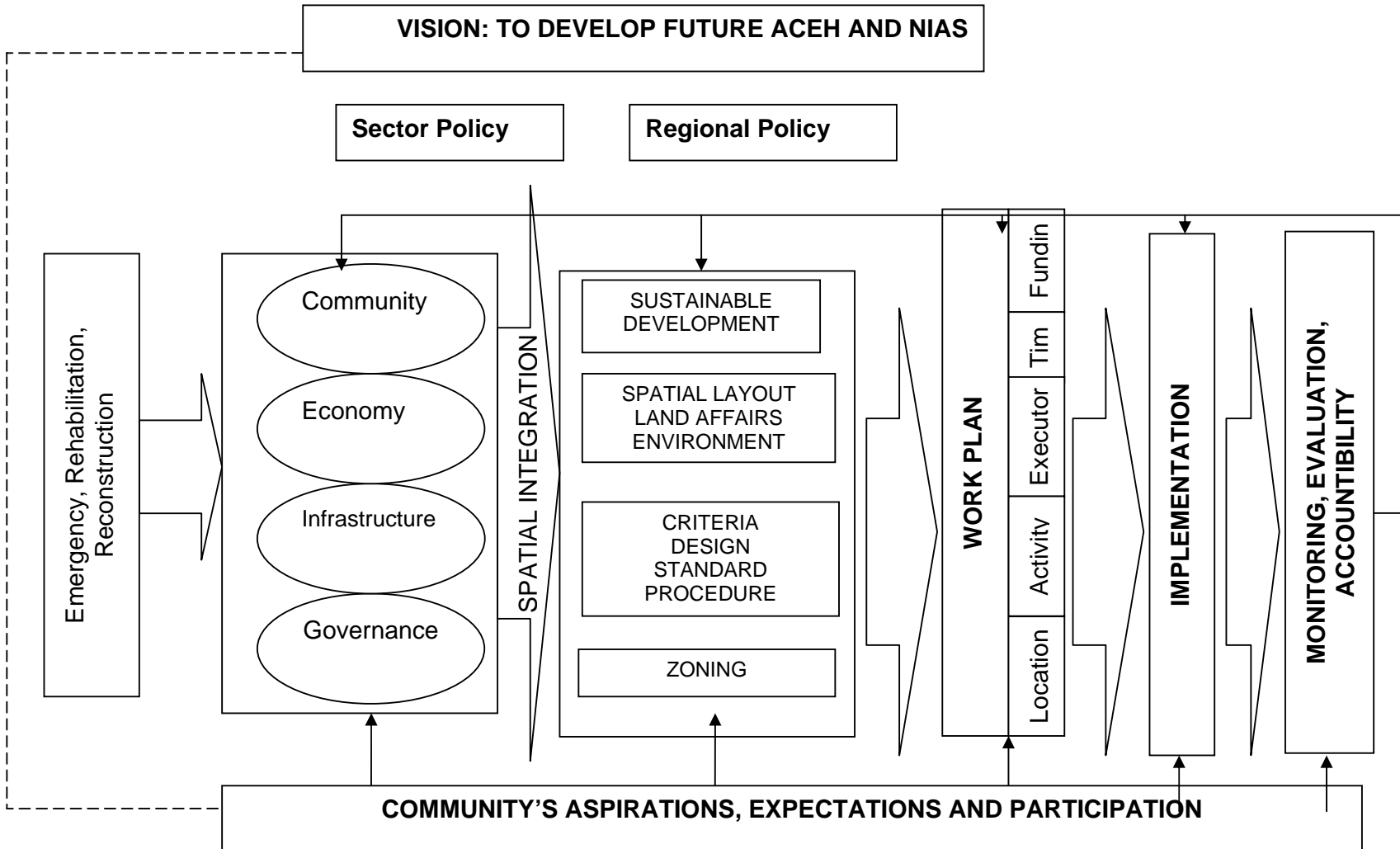
1. **Community-oriented and participatory.**
2. **Sustainable development**, giving priority to the balance of economically viable, socially acceptable, and environmentally sound aspects.
3. **Holistic**; the reconstruction of Aceh and Nias Islands must take into account all aspects of life and need to be based on a comprehensive strategy.
4. **Integrated**; effective coordination and strategy to guarantee the consistency and effectiveness of sectoral and regional programs both at the national and regional levels.
5. **Efficient, transparent, and accountable.**
6. **Effective monitoring and evaluation.**
7. In accordance with Law Number 18 year 2001 regarding the Special Autonomy of the Province of Nanggroe Aceh Darussalam and Law Number 44 year 1999 regarding the special characteristics of Aceh.
8. Priority will be given to the protection and assistance of the most vulnerable community members affected by the disaster, particularly children and widows, disabled persons, people who lost their houses and property, underprivileged communities, and those who lost their families' breadwinners.
9. Regions affected by the disaster will be prioritized in the implementation of The Rehabilitation and Reconstruction Plan for the regional and People of the Provinces of NAD and Nias Islands, North Sumatra.

3.3 General Policy

- 1. Reconstruction of community** by restoring the aspects of religious and social-cultural lives, and community resilience, including the education, health, science, legal sectors and religious as well as traditional institutions.
- 2. Reconstruction of the economy** by creating employment opportunities, providing financial aid and loans for the development of small-and medium-scale businesses, rebuilding productive sectors (fishery, agriculture, industry, trade, and services) along with the reconstruction of economic facilities (markets, fish auction markets, warehouses).
- 3. Reconstruction of Infrastructure and Housing** by giving priority to the restoring of basic infrastructure functions such as roads, airports and seaports, telecommunications infrastructure and facilities, the restoring electricity, water supply and housing.
- 4. Reconstruction of Governance** by re-creating the system and service of provincial, *kabupaten/kota* regional governments and by redesigning cities and new activity centers.

The aforementioned general policy is to be translated into activities in the emergency response, rehabilitation, and reconstruction phases by taking into account spatial layout directives in Aceh and Nias Islands, North Sumatra, based on the principle of sustainable development.

Picture 3.1
FRAMEWORK OF NAD AND NIAS ISLANDS-NORTH SUMATRA REHABILITATION AND RECONSTRUCTION PLANNING



The integration of the sectoral and regional policies is described in a work plan based on the location, activity conducted, party performing the activity concerned, time of implementation, and funding source. The community's aspirations, expectation and participation are taken into account in each phase, namely in the stipulation of policy, strategy, regional development and the stipulation of the work plan.

Chapter 4

Sectoral Policy and Strategy

In the policy and strategy to be formulated in the plans for rehabilitation and reconstruction in Aceh and Nias Islands, the first thing that must be done is to observe the existing problems, both from the quality and quantity aspects, so as to obtain a complete view of the existing problems.

Problems arising from the earthquake and tsunami disasters in Aceh and Nias Islands, North Sumatra can first be categorized into three groups: problems faced by individual human beings; problems faced by social human beings interacting with their surroundings, and problems faced in supporting the lives of human beings.

The above categorization of problems helps us to define the recovery process based on two aspects, namely: priorities and appropriate sectors in addressing them.

In general, the main post-earthquake and tsunami problems in Aceh and Nias Islands, North Sumatra are the huge number of victims and massive physical damage. The number of victims killed and missing and survivors raises extremely complex derivative problems which require integrated handling. Moreover, massive damage to facilities and infrastructure has worsened the conditions of hundreds of thousands of survivors.

Individual human beings must be given the highest priority in disaster relief. There are four relief efforts that must be simultaneously conducted on every individual affected by the disaster, namely:

- (1) Spiritual healing, namely recovery of the spirit, reconciliation to the disasters experienced. In principal, only by remembering God, peace will come to one's heart.
- (2) Emotional healing, namely recovery of a person's emotion, such as from traumatic incidents, including the loss of beloved persons and properties. In the emotional healing, support to live and revive are very important.
- (3) Physical healing, namely recovery of a person's physical condition.
- (4) Intelligential healing, namely the recovery of a person's intellectual capability.

As conclusion, the survivors are likely to face various problems, such as difficulty to trust others, especially among children; the emotional instability of vulnerable communities (children, women, elders and disabled persons); survivors' physical conditions which require immediate handling, and also the condition of education which has been shut

down for too long, as well as the fulfillment of basic needs for food, clothing and housing which require priority handling.

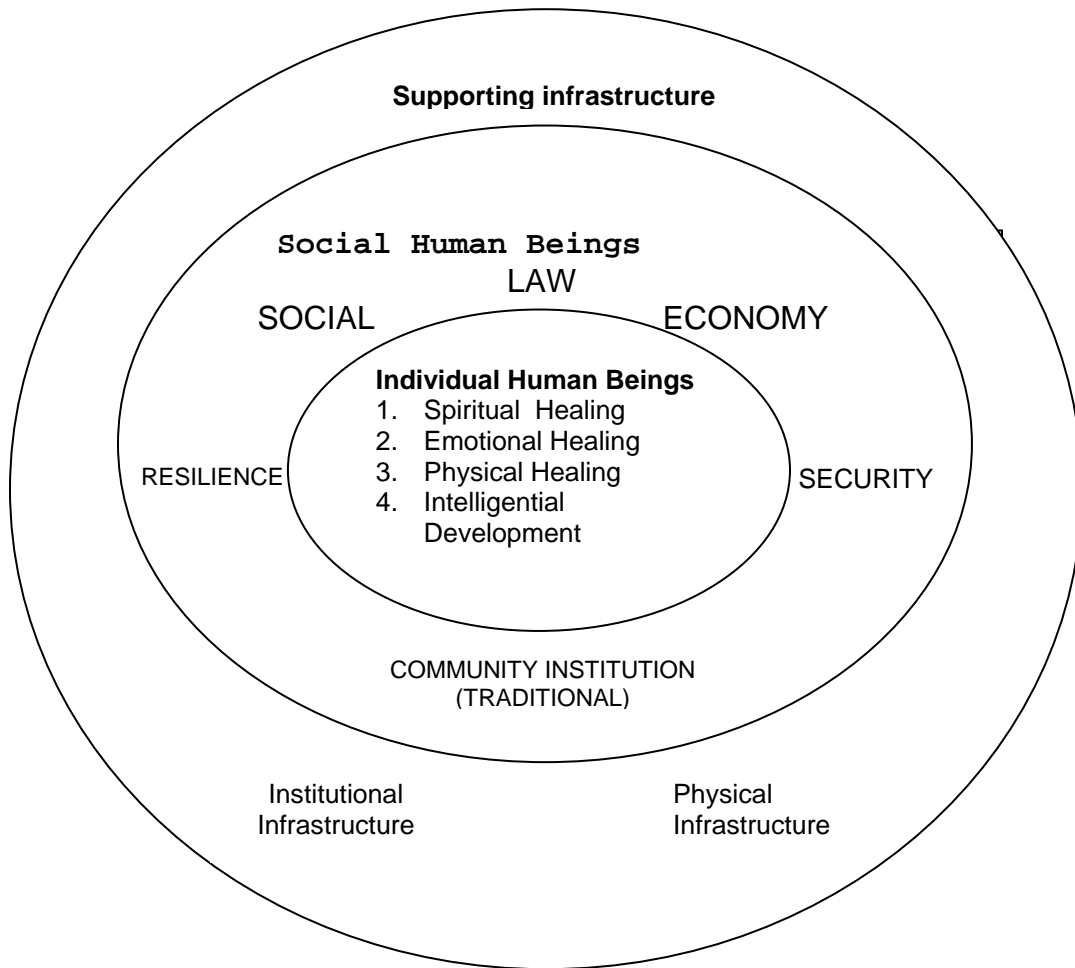
Social Human Beings collectively face even more complex problems because they are interrelated with sectors that require integrated handling. Below are some problems requiring solutions with regard to these collective human beings' problems:

- (1) with regard to inter human being relation, how to recover traditional, social and cultural relations among members of Aceh and Nias communities?;
- (2) how to recover public services in Aceh and Nias such as health, education, religious, governance and other services, where most of the personnel for such services are victims killed/missing or alive but still having trauma?;
- (3) how to recover economic lives in Aceh and Nias. Is it through financial aid for land and housing compensation or financial aid for the recovery of community productive facilities?
- (4) how to provide legal certainty to communities, for example with regard to land ownership right?;
- (5) How to provide secured and safe feeling to the communities?.

The aforementioned individual human being and collective human beings' problems can not be comprehensively overcome if the problems of the supporting factors are not solved. The problems of the supporting factors are related to physical and institutional infrastructure problems.

Through this approach, we try to see the wholeness and interconnection of the problems faced, so that later we are able to determine policies and strategies. Thus, there are principles that must be followed in making decisions on policy and strategy. Through this approach, it is obvious that all rehabilitation and reconstruction efforts are focused on the human beings, whether the direct recovery of the human beings themselves, or the recovery of the surroundings in the form interaction with other human beings and interaction with the environment together with the existing supporting factors.

INTEGRATED PERCEPTION IN COMMUNITY DEVELOPMENT



Based on the above approach, the adopted general policies will be related to the following:

- (1) Reconstruction of the communities of Aceh and Nias Islands, North Sumatra, with regard to both their individual or social lives;
- (2) Reconstruction of the economy so that business can be resumed;
- (3) Reconstruction of the institutional and physical infrastructures
- (4) Recovery of the governance as public service facility.

4.1. Reconstruction of Communities.

The reconstruction of the communities of Aceh and Nias, North Sumatra, includes recoveries of the spiritual/religious and socio-cultural (traditional) lives of the communities, communities' health, education, communities' resilience, law and economy.

4.1.1. Religion

Main problems with regard to religion are, among others:

- (1) **Interrupted spiritual tranquility** due to the loss of relatives, social bounds and properties.
- (2) **The loss of thousands of religious figures** and religious service personnel.
- (3) **The loss of religious symbols** which gather individuals in one social and community unit, such as mosques and *meunasah*.
- (4) **Destroyed facilities and infrastructure** for religious services, such as offices for religious affairs (KUA), wedding halls, *syariah* services offices.
- (5) **The loss of opportunities for children to obtain parental care and education** in schools/*madrasah*, *meunasah*, *pondok pesantren* (Islamic boarding school), *diniyah* (Islamic school for girls) and informal Islamic education centers.

Religious Policies and strategies:

- (1) **Spiritual tranquility recovery by**
 - a. providing guidance and counseling;
 - b. providing orphan fostering;
 - c. intensifying prayer services by *taklim* groups.
- (2) **Religious service personnel equipment by:**
 - a. providing education and training for mosque Leaders (*Imam*), *khatib* (mosque officials), *da'i* (proselytizers), and teachers of the recitation of the Koran.
 - b. recruiting personnel starting from the *gampong* level up to the provincial level (regional office)
- (3) **Religious symbol rehabilitation by:**
 - a. Rehabilitating and constructing facilities and infrastructure for the observance of religious duties such as mosques and *meunasah*.
 - b. Rehabilitating and constructing facilities and infrastructure for religious services, such as *kabupaten/kota* offices of the Ministry of Religious Affairs, *Syariah* Services Offices, MPU Offices.

4.1.2. Socio Culture

The main socio-cultural problems arising from the earthquake and tsunami directly or indirectly experienced in the socio-cultural life are, among others:

- (1) **The great number of victims.** Hundreds of thousands of lives were lost while the other hundreds of thousands had to become refugees, children became orphans, and houses and building were destroyed.
- (2) **Massive physical damages** to socio-cultural service facilities such as social houses, ancient heritage conservation centers, museums, family planning clinics, and youth and sport infrastructures, so as to result in the impeded religious and socio-cultural lives.
- (3) **Great number of victims that are not provided with food and shelters,** ceased youth and sport activities and family planning services, and interrupted cultural life.
- (4) **Incomplete and drastically changed post-disaster demographic information** so that the number, sex, age structure and socio-economic conditions of the communities cannot be confirmed.
- (5) **Thousands of refugees that are in trauma require basic services and counseling.**
- (6) **Women and children** in the refugee camps have specific needs, and they **become vulnerable to sexual harassment and trafficking.**

Socio-cultural policies and strategies

Policies to handle the aforementioned main socio-cultural problems are as follows:

- (1) **Woman empowerment and children protection enhancement** by:
 - a. Collecting data on women and children's specific needs;
 - b. Developing and operating the Integrated Services Center for Women Empowerment (P2TP2), and facilitating women crisis centers;
 - c. Facilitating children centers and family reunification, legal assistance, and support for children fostering.
 - d. Empowering women especially female family head in economic activities.
- (2) **Traditional life and cultural art activity quality improvement and communities' cultural heritage conservation** by:
 - a. Collecting data and inventory on damaged cultural heritages.
 - b. Strengthening cultural values and conserving communities' art and cultural heritages.
 - c. Constructing/rehabilitating cultural facilities and infrastructure, and restoring damaged cultural heritages.

- (3) **The provision of assistance and guarantee to vulnerable communities** by:
 - a. Providing social assistance and security for disaster affected communities.
 - b. Increasing social services and rehabilitation for children, elders, and defective disaster victims.
 - c. Establishing and operating trauma centers.
 - d. Empowering families, underprivileged people, and isolated traditional communities.

- (4) **The collection of complete demographical data** and the provision of guarantee for prosperous families and reproduction health services by:
 - a. Collecting complete data on population in order to provide complete data on the composition of population.
 - b. Rehabilitating and reconstructing family planning, productive health and family resilience empowerment infrastructure access and facilities.
 - c. Providing contraceptive equipment and medicine required by productive-age couples.

- (5) **Enhancement of Youth and sport culture role** by:
 - a. Providing youth and sport facilities and recovering their institutional function.
 - b. Mobilizing and empowering youth and sport potentials.

4.1.3. Health

Several **main** post-disaster **health problems** are, among others:

1. **The great number of victims.** There is a great number of victims killed, slightly and seriously wounded, and under depression, requiring immediate health assistance.
2. **Non-functioning Health system** due to damaged health service facilities and infrastructure and the great number of health personnel missing, killed and under depression.
3. Spread locations of victims, so that **the handling was not optimum.** Many members of the communities including refugees who live in refugee camps have difficulties in getting basic health services and references.
4. **Limited clean water and bad environmental sanitation.** Refugee camps do not meet health requirements related for example to the short supply of clean water, garbage disposal, and bathing, washing and toilet facilities.
5. **Declining food and nutrition resilience.** The short supply and uneven distribution of food and large number of refugee camps have increased the risks of malnutrition, sickness and deaths especially on vulnerable groups, namely infants, pregnant women and elders.

- 6. Potential spreading of contagious diseases.** Bad environmental condition, in addition to malnutrition can cause the spreading of various contagious diseases, such as smallpox, diarrhea, malaria and acute respiratory tract infection (ISPA)

Health policies and strategies.

Based on the aforementioned main health problems, priority policy which must be adopted and strategies which will be carried out in the implementation of policy are as follows:

- (1) **Rescue of survivors from the disasters**, through the following strategies:
 - a. Providing emergency health services
 - b. Providing health services for victims who are in trauma.
- (2) **Health system recovery**, through the following strategies:
 - a. Mobilizing health personnel from other regions.
 - b. Placing health personnel with contract system.
 - c. Recruiting new health personnel
 - d. Training health personnel
 - e. Rehabilitating and constructing damaged health service facilities and infrastructure
 - f. Recovering the functions of health care facilities.
- (3) **Epidemic prevention**, through the following strategies:
 - a. Conducting rapid need assessment.
 - b. Conducting immunization, vector control and disinfection, and supplying drinking water
 - c. Strengthening epidemiological surveillance.
- (4) **Malnutrition prevention**, through the following strategies:
 - a. Providing food aid to infants, under five year old children and pregnant mothers.
 - b. Providing nutrition aid package such as vitamin A, ferro tablet, and ferro syrup
 - c. Providing extensions on nutrition.
 - d. Strengthening nutrient surveillance.

4.1.4. Education

Several **main problems** of education as the result of the disasters are as follows:

- (1) **The great number of students, teachers, and education personnel died and missing** has caused the suspension of teaching learning activities and up until now it has not been fully carried out in a normal way.

- (2) **The great number of damaged education facilities and infrastructure** in every path, type and level of education has resulted in the limited education facilities that can be used by the survived students.
- (3) **The great number of children who have lost their parents and relatives as well as houses** requires the attention of all people to guarantee the continuation of their education by still showing love needed and efforts to provide shelters for them.
- (4) **Damaged teaching materials and education equipment** such as text books, library books, and demonstration equipment have resulted in the decreasing quality of the teaching learning process.
- (5) **The great number of teachers and educational personnel who have lost their houses** have resulted in the improper performance of their tasks.
- (6) **Quite great number of killed or missing educational personnel at education managing institutions** such as Education Service Office and Regional Offices of the Ministry of Religious Affairs, at provincial level and *kabupaten/kota* level has resulted in the improper implementation of education management functions including planning.
- (7) **The great number of community members who have lost their jobs** as the result of the disasters **requires the provision of vocational education services** through formal and non formal paths so that they are more prepared to resume working.

Policies and Strategies

- (1) **Providing emergency education** for students affected by the disasters by: (timing)
 - a. Providing emergency education facilities including emergency camps and schools;
 - b. Cleaning up education facilities so that they can be used again;
 - c. Recruiting teachers and other education personnel on temporary basis, including empowering volunteers;
 - d. Providing books and other education equipment;
 - e. Providing guidance and counseling for students, teachers and other education personnel to help them annihilating the trauma experienced as the result of the disasters.
- (2) **Expanding even distribution and affordability of education services** for all school-age children (education for all) especially the 9 year compulsory education through: (timing)
 - a. The expansion of education and training programs for community members;
 - b. The rehabilitation and construction of educational facilities and infrastructure including *dayah* institutions;
 - c. The provision of guidance and counseling for students, teachers and education personnel;

- d. The provision of scholarship for students and living cost assistance for the survivors.
- (3) **Increasing education quality and relevancy** through:
- a. The increase of education quality its relevancy including the development of international quality education;
 - b. The development relevant curriculum in adjustment to the local needs;
 - c. The increase of number, quality and professionalism of teachers;
 - d. The increase of welfare and legal protection for teachers and education personnel.
- (4) **Strengthening educational services management** through:
- a. The development of educational system including family and community education;
 - b. The increase of the participation of the communities and business sector;
 - c. The revitalization of education service offices and provincial and *kabupaten/kota* offices of the ministry of religious affairs;
 - d. The provision of adequate and continuous education budget
 - e. Dissemination of the importance of education as human right, investment and asset to the whole community groups.
 - f. The arrangement and increase of performance in establishing education including research and development, as well as education information system.

4.1.5. Science and Technology

The earthquake and tsunami that hit Aceh had resulted in awareness to the nation that the Indonesian archipelago is located in an area which is vulnerable to disasters. In the reconstruction of Aceh and Nias Islands, North Sumatra, as well as the development of Indonesia in the future, the role of science and technology is very much required especially in providing foundation for the disaster mitigation development. In this case, the problem is the non-functioning early prevention system (early warning system) in detecting disaster and communicating it to the communities.

Policies and Strategies

- (1) Enhancing knowledge, awareness and readiness of the communities on early prevention of disaster, especially of earthquake and tsunami by observing local cultural wisdom.
- (2) Developing early warning system.
- (3) Utilizing effective technology in supporting social, economic, cultural, health and education lives of the communities.

4.1.6. Security, Order and Community Resilience

Efforts that have been made to reconstruct Aceh and Nias communities are creating secured feeling among the communities and developing community resilience. Several post-disaster main problems are as follows:

- (1) **Vulnerable condition of the communities.** The socially and psychologically vulnerable condition of the communities as the result of the disasters will endanger themselves against unfairness and tyranny.
- (2) **Limited role of community institutions.** The prolonged conflict and natural disasters have weakened local community institutions in developing community autonomy including to solve their own problems.
- (3) **Relatively high intensity of threats and disturbances of security and order.** Threats and disturbances of security and order can endanger the integrity and sustainability of community life.
- (4) **Seriously damaged facilities and infrastructure of security and order institution as well as casualties on the part of TNI/POLRI.** Damaged facilities and infrastructure of security institution and casualties on the part of security apparatus have caused the function of security and order institution is not optimum, so as to give opportunity for the increased disturbances of security and order.

Policies and Strategies

Based on the above-mentioned main problems, priority policies that must be adopted and strategies that must be carried out for the implementation of such policies are as follows:

- (1) **Constructing Aceh community by creating social political maturity and adulthood** in respect of its living system, institutional system and mechanism in the framework of democracy:
 - a. Facilitating the role of civil communities in supporting the increase of awareness and capability of the communities in solving community social problems;
 - b. Restructuring and reorienting community institutions, economic institutions, and governance, as well as confirming mass communication and information system;
 - c. Performing Disaster Impact Management in form of human activities, improvement of community security and order condition, recreation of governance, including security institution, support on rehabilitation and support on reconstruction through social cultural approach;
 - d. Building autonomous and quality nation and characteristics so that the communities possess awareness and mutual confidence in the reconstruction of Aceh and the defense of the state and the nation;
 - e. Consistently and continuously empowering communities in all sectors of development in Aceh;
 - f. Confirming the special autonomy of Nangroe Aceh Province so that the community of Aceh is able to carry out sustainable development and continue with the efforts to confirm love for the motherland; and
 - g. Developing overall incentive framework for the communities in the framework of achieving lasting and complete peace.

- (2) **Developing Aceh community by creating secured and orderly feeling within the community together with the whole community components.**
- a. Recreating security and order institutions;
 - b. Conducting integrated safeguarding of refugee areas.
 - c. Confirming security by integrated safeguarding of areas with relatively conducive security and order condition;
 - d. Conducting safeguarding of the process of development especially rehabilitation and reconstruction of facilities and infrastructure and social economic activities; and
 - e. Increasing security and order of the community in vulnerable areas.

4.1.7. Law

Several main problems of law

(1) **Civil law affairs**

- a. Individuals and families: (i) lack of post earthquake-tsunami accurate demographical data, namely data on communities survived, killed or missing, and (ii) lack of identity related to marital, divorce, and legacy relations,
- b. Material and trade: (i) obscure status of individual properties, for example fund in bank, life insurance, and movable assets ownership; (ii) the loss of documents on the identity of legal entities; (iii) obscure status of the execution and performance of rights and obligations (commitments) between individuals and legal entities, including house, car, motorcycle, and other installments.

(2) **Land affairs**

- a. The absence of provisions on objects (lands): (i) destroyed land and; (ii) scanning result as legal evidence;
- b. The absence of provisions on legal subject related to land, namely (i) responsibility for the accuracy of land ownership supporting documents; (ii) prohibition of transaction or transfer of land right to protect land owner;
- c. The absence of the provisions of *Baitul Maal* (religious treasury) as the legal body possessing land right;
- d. The absence of provisions on the modification of announcement and oath taking mechanisms for the acceleration of the issuance of replacement certificate;
- e. The absence of provisions on the stipulation of communal land (traditional ownership right).
- f. Obscure mechanism in stipulating the utilization of land for refugee camp or other disaster handling activities.

(3) **Governance Administration**

- a. Obscure responsibility to a third party: finance (procurement of destroyed materials), legal documents within government apparatus, ect.
- b. About the absence of provisions on post-tsunami taxes.

(4) **Court of Justice**

- a. Incomplete process of pre-tsunami civil and criminal cases (under process when the disaster hit).
- b. Complex civil and criminal procedural law
- c. Undeveloped traditional institutions as alternative for dispute settlement.
- d. The limited facilities and infrastructure of *Syariah* court/court of law.
- e. Limited legal assistance for the communities.
- f. The absence of provisions on inmates killed/missing due to the tsunami disaster.

Legal Policies and strategies

- (1) The policy adopted to solve various problems in civil and criminal, identity status, commitment, and governance cases is **realizing warranty in certainty, protection, law enforcement and human rights**, through the following strategies:
 - a. The recovery and granting of civil rights and re-issuance of evidence of the rights
 - b. The recovery of rights related to public law.
 - c. The return of identity documents.
 - d. The granting of legal status to *Baitul Mal* as legal subject, NAD Province.
 - e. The empowerment of traditional institutions as instruments for dispute settlement outside court.
- (2) The policy adopted to **recover the functions and tasks of law services** are through the following strategies:
 - a. The mobilization of judges and other court personnel as well as attorneys from other regions.
 - b. The rehabilitation and reconstruction of facilities and infrastructures of court and attorney office as well as other supporting facilities.
- (3) The policy adopted is **preparing legal umbrella** to support the implementation of rehabilitation and reconstruction with due observance of gender equality the following strategy: preparing the substance of Government Regulation in Lieu of Law (Perpu) for the implementation of rehabilitation and reconstruction in the sector of: Land and spatial layout; Economy and manpower; and Law.

4.1.8. Religious and Traditional Institution in Community Social Activities

The main problems of religious and traditional institutions especially in Aceh community are, among others:

- (1) **The non-functioning traditional and community institutions** that have been existing since long ago, and strengthened by Law No.18/2001. Today, the scattered and less number of chairmen and members of religious, traditional and other social institutions at *mukim* and *gampong* levels (as the result of the disasters), have resulted in the non-optimum performance of the existing traditional institutions.
- (2) **The decreasing number of as well as damaged and destroyed facilities of religious, traditional, and social institutions at *mukim* and *gampong* levels (*meunasah* and *bale*)**, have resulted in the improper performance of social and cultural activities.
- (3) **Unfavorable security condition** impeding the development of such traditional institutions.

Policies and Strategies

In the efforts to recreate family tie among communities and other social activities through religious, traditional and other social institutions at *mukim* and *gampong* levels, it is necessary to adopt policies and strategies for the empowerment of the existing religious, traditional and social institutions in Aceh, especially in the areas hit by the disasters. Religious, traditional and other social institutions have been existing for so long and are functioning well as communication media and facilities for social and community activities. Policies and strategies for the development of religious, traditional and other social institutions in the framework of recovering the communities must be based upon the post-disaster social condition of Aceh community, and remain in the framework of special autonomy in accordance with Law Number 18 Year 2001. The aforementioned policies are as follows:

- (1) **Increasing the participation of religious, traditional and other social institutions at *mukim* and *gampong* levels in the preparation of plan and policy**, by:
 - a. Involving *mukim* and *gampong* apparatus in the implementation of rehabilitation and reconstruction activities.
 - b. Increasing the role of *mukim* and *gampong* advisory council, as well as *dewan ulama* (religious scholars) of *mukim* and *gampong* in the supervision of rehabilitation and reconstruction activities, and
 - c. Increasing capacity and role of religious, traditional and other social institutions in facing natural and non-natural disasters, participating in the process of public policy through managerial technical training, the development of early detection system, and the development of participatory forum and mechanism.

(2) Facilitating the facilities and infrastructure of religious, traditional and other social institutions at *mukim* and *gampong* levels by:

Providing the social and economic facilities and infrastructure of religious, traditional and other social institutions at *mukim* and *gampong* levels, such as the construction of *meunasah* and *bale* as places for deliberation meetings.

Focus on strengthening and optimization of functions in both institutions are because *mukim* and *gampong* institutions possess more dominant element of community empowerment and people autonomy (Based on Law Nr. 18/2001).

4.2. Reconstruction of the Economy

Natural disasters that struck Aceh and Nias Islands, North Sumatra have **paralyzed economic activities** because:

- (1) **Damaged facilities for community economic activities were damaged**, among others:
 - a. Damaged community service facilities related to fishery and agricultural activities, such as fishing harbour, fish and agricultural product sale centers, and irrigation channel.
 - b. Damaged community production facilities, covering around 10,000 units of fishing boats comprising 42% non-motorboats and 58% of motorboats.
- (2) **The non-functioning financial system**, including banks because of the damaged banking facilities and the loss of economic activities supported by banks.
- (3) Stagnant business activities causing the increase of **unemployment level**.

Policies and Strategies

1. **Recovering community income** by providing jobs related to rehabilitation and reconstruction and providing training for various lost jobs. The implementation of rehabilitation and reconstruction prioritizes the participation of Aceh community, therefore, training related to rehabilitation and reconstruction will be carried out.
2. **Recovering community service facilities** to meet the minimum service standards. The recovery has been carried out by the Government through the mobilization of various available resources, such as State Revenues and Expenditures Budget (APBN) and aids. Recovery prioritizes community service facilities directly related to community economic activities, such as fishery and agricultural activities, such as recovery of fishing harbour and fish auction place, and recovery of irrigation facilities and other sale centers.
3. **Recovering banking activities** through the recovery of various banking facilities and intermediary functions. Recovery has also been carried out through

the identification of clients and the determination of heirs. While with respect to assets, banking recovery is carried out through restructuring.

4. **Providing assistance to the communities** to recover their production facilities. This assistance to the communities will be provided through direct assistance with community-based approach. Assistance to the communities is carried out by giving direct grant with the maximum amount of Rp.2 million. In addition, assistance in relation to land that cannot be used as residence and housing assistance will also be provided.
5. **Giving support to the communities** so as to be able to obtain access to productive resources by providing credit incentive system, in addition to technical assistance. Support was given to community groups in the amount of about Rp.5 – 15 million. The beneficiary communities can use the fund for the recovery of public facilities or use the supporting fund as matching fund to carry out business activities. Support was given so that the beneficiaries can obtain matching fund through ordinary banking mechanism, by applying market interest rate. Assistance was given only through credit facilities and extension of grace period.

4.3. Reconstruction of Infrastructure

Main Problems

The earthquake and tsunami disasters had caused massive damages to infrastructure and housings. Such incidents had created the following impacts:

1. **Devastated housing and settlement infrastructure and facilities**, causing hundreds of thousands of people lost their houses, decrease in the quality of health of the communities, and destruction of the environmental system which has the potential to create environment disaster.
2. **Devastated transportation, communication and logistic systems, and energy infrastructure** which have created economic stagnancy and has the potential to create economic depression.
3. **Increasing unsecured feeling of the communities from disaster threats.**
4. **Isolation of several regions.**

Policies and Strategies

Based on the aforementioned main problems in infrastructures and housing, policies that must be adopted and strategies that must be carried out for the implementation of such policies are as follows:

- (1) **Prioritizing the provision of infrastructure and facilities to fulfill basic needs** and the provision of infrastructure for the uninterrupted operation of logistics.
 - a. Setting main priority in reconstructing housing, drinking water, sanitation and drainage infrastructure and facilities.

- b. Prioritizing the implementation of rehabilitation of entry point infrastructure, among others sea harbor and strategic airport and their supporting road system.
- (2) **Assisting and conducting rehabilitation and reconstruction of housing** and its supporting basic infrastructure and facilities for the survivors from the disasters.
 - a. Providing to the survivors who want to return to their original places assistance in cash or in kind equal to:
 - Rp.28 million for heavily damaged or destroyed houses;
 - Rp.20 million for slightly damaged houses.
 - b. Assisting the provision of housing and its supporting basic facilities and infrastructure for of the survivors from the disasters who prefer to move to a new place (resettlement).
 - c. Completing assistance and providing housing for of the survivors from the disasters within less than 2.5 years.
- (3) **Reconstructing adequate transportation and communication systems** to support uninterrupted inter-regional communication within province or inter provinces and with foreign countries.
 - a. Opening entry point and main route (national), continued with the opening of integrated transportation road to create uninterrupted and efficient logistic distribution and regional development.
 - b. Rehabilitating the existing telecommunication facilities and reconstructing new communication facilities through wireless technology to provide local, inter-local or international telecommunication access convenience.
- (4) **Rehabilitating energy and electricity distribution facilities** as efforts to support the resumption of social and economic activities.
 - a. Prioritizing the rehabilitation of electricity distribution grids.
 - b. Directing reconstruction efforts to support diversification of electric energy sources.
- (5) **Supporting efforts to maintain food availability**
 - a. Prioritizing the rehabilitation of irrigation system in areas where farmers have been prepared and priorities have been given to regions constituting the center of economic activities and settlement.
 - b. Assisting efforts to repair traditional embankment networks, particularly at primary and secondary networks.
- (6) **Recovering secured feeling for the communities affected by the disasters** by increasing the preparation of facilities and infrastructure to support rescue efforts against disaster threat.

- a. Addressing the inundation problem by rehabilitating and constructing main drainage channels or repairing natural water courses.
 - b. Rehabilitating and reconstructing rural area drainage (micro and macro drainage) to reduce the potential negative impacts on the environment and community health.
 - c. Developing early warning system and escape facilities by establishing escape hill and escape route located in coastal settlement areas that are vulnerable to tsunami.
 - d. Controlling flood in settlement and rural areas by river normalization, dam restoration/construction, and flood control facility restoration.
- (7) **Applying consistently the principles of investment** which are based upon economic, technical, environmental, social, cultural and religious feasibility.
- a. Conducting economic, technical, environmental, social, cultural and religious feasibility study for every activity for the increase and development of new facilities as basis for decision making in carrying out investment.
 - b. Prioritizing the optimization of facilities and infrastructure constructed, before deciding the construction of new facilities.
 - c. Applying interinsular integration of infrastructure and facilities in setting priorities for the implementation of activities.
 - d. Decision on implementation schedule must always take the level of urgency and level of readiness into account.
 - e. Applying implementation method and efficient logistic system.
 - f. Conducting public consultation, which among others is directed to explore and accommodate the values of local culture and religion.

4.4. Recovery of Provincial and *Kabupaten/Kota* Governments

Main Problems

Problems in governance administration are as follows:

- (1) **Individual and traumatic problems of civil servants**, as the result of the loss of family members or properties.
- (2) **Inadequate number of civil servants**, particularly in several Provinces/*Kabupaten/Kota* (the death of teachers and health personnel has caused the teaching learning process and basic health services cannot be carried out properly in several regions).
- (3) **The death of Regional Heads and Members of Legislative Body** has caused the loss of regional leadership, while some regional heads had completed their terms of office.
- (4) **The great number of non-functioning and damaged governance facilities and infrastructure** particularly at *kecamatan* and *kelurahan/desa/mukim* levels has caused decrease in governance and public services to the communities.

- (5) **The loss of regions and several villages** as the result of the tsunami disaster has changed the area and administrative regional border.
- (6) **Unfavorable governance administration** resulted from security disturbances.

Policies and Strategies

In carrying out rehabilitation and reconstruction process, the purposes of governance recovery are as follows:

- (1) To strengthen regional government in the implementation of efficient, accountable and transparent public services;
- (2) To develop and make effective of dynamic public space by involving all stakeholders in the process of planning, formulation of policy, decision making, monitoring and evaluation.
- (3) To develop and recover governance infrastructures to support public service process.

In addition, in the efforts to speed up the achievement of the preset goals, policy and strategy are determined.

Further, policies and strategies had been determined to perform the process of rehabilitation and reconstruction of regional government institutions in Aceh and North Sumatra, in the efforts to accelerate the achievement of the determined targets. Basic reason for the formulation of these policies is to achieve optimum institutional function and role in supporting development in regions affected by the tsunami.

All policies and strategies for the enhancement of government institutional capacity should be implemented in accordance with the present post-tsunami needs. The policies and strategies with respect to regional governance are as follows:

- (1) Recovering regional governance within short-period for emergency public services, through the following strategies:
 - a. Administering governance and public services by temporary assistance from the central government to regional governments.
 - b. Evaluating apparatus availability compared to the existing population.
 - c. Prioritizing specific and prompt recruitment, training, and education to fill in vacancy due to the missing/killed apparatus.
 - d. Handling personnel administration problems (salaries, allowances, insurance, etc.)
 - e. Cleaning, restoring and utilizing still-functioning governance facilities and infrastructure.
 - f. Supporting the availability of emergency offices at the *kecamatan/ mukim/ kelurahan/ desa* levels.
 - g. Rescuing government administration documents.
 - h. Accommodating inter-regional cooperation aids in the provision of financial, medical, and other equipment aids.

- i. Recovering regional administrative borders (*kecamatan/kelurahan/desa*)
 - j. Creating harmony between the laws and regulations of the central government and regional governments, including regulating the Special Autonomy of the NAD Province, NAD court, and NAD civil emergency policy.
- (2) Increasing governance capacity in regions within medium period, through the following strategies:
- a. Restructuring and providing personnel for regional government, legislative bodies, regional leaders, and central government apparatus.
 - b. Increasing the capacity of regional government apparatus and members of the legislative body in regional plan formulation and regional finance management processes.
 - c. Increasing the capacity of regional government apparatus in facing the threats of natural and non-natural disaster, through managerial technical training and the development of early detection system.
 - d. Restoring regional governance administration system which is responsive to unexpected changes (natural and non-natural disasters).
 - e. Restoring and restructuring proportionately institutions and operational procedures in accordance with the main duties, functions, authorities and responsibilities, in order to meet the minimum service standards.
 - f. Establishing and enhancing inter-governmental coordination and cooperation.
- (3) Accelerating the provision of permanent facilities and infrastructure of governance instruments through the following strategies:
- a. Rehabilitating permanent infrastructure of regional governments based on master plan and technical plan (DED).
 - b. Providing working facilities for regional government and disaster mitigation equipment to support public services.
 - c. Facilitating and supporting the availability of trauma center facilities and infrastructure, regional government public relation system, and communication forum.

Chapter 5

Spatial Structuring

5.1 Purpose

The purpose of this post-earthquake and post-tsunami spatial structuring of Aceh and Nias Islands is to reconstruct areas, cities, regions and settlements devastated by the disaster, enabling community members to conduct their activities under improved conditions, safe from disaster.

The post-disaster development of Aceh and Nias Islands will continue to adhere to the sustainable development principle, prioritizing balance between economic, social and environmental aspects and considerations and inter- and intra-generation development. Other aspects such as the use of modern, effective and environmentally friendly technology and possible future disaster will also be taken into account in the sustainable natural resources and environmental development.

5.2 Policies and Strategies

1. Making the areas safe from disaster and life better

The basic concept of this spatial structuring of Aceh and Nias redevelopment is to create a better life safe from disaster. So, each tsunami-prone area should possess natural and man-made protective facilities, escape routes to safer places, and safe places for escape purposes such as buildings, hills, etc.

Strategy:

- a. Protect the public from future natural disasters in the most effective manner.
- b. Create better quality environment for the community.
- c. Reconstruct socioeconomic facilities and infrastructure enabling disaster-stricken communities to conduct their normal activities.

Main Activities:

- a. Construction of various protective and escape facilities on a settlement to city scale.
- b. Developing an early warning system.
- c. Construction of various socioeconomic facilities and infrastructures.

2. Giving residents the freedom of choice for settlement

Residents have the right to decide where they will live, namely to: return to their place of origin or move to another location. The Local Governments should provide information,

regulations, facilities and infrastructure including protective and escape facilities for those wishing to live in a potentially unsafe zone.

Strategy:

- a. Facilitate community members to immediately start a new life in a safer area.
- b. Provide community members with protective and escape facilities.
- c. Prepare new settlements for those wishing to relocate.

Main Activities:

- a. Inform community members about potential damage and unfitness for human habitation.
- b. Construct protective and escape facilities on a settlement to city scale.

3. Involving community members and using social institutions in the face of disaster and development activities

In the development of natural resources and the environment, the participation of local communities is a key element in the process of disaster management and in the development process.

Strategy:

- a. Develop an integrated early warning system.
- b. Enhance public participation in anticipating disaster

Main activities:

- a. Formulate operation standards and procedures (SOP) for disaster emergency response.
- b. Human resources' and government institutions' capacity building.
- c. Using local moral values as a complementary part of the early warning system.
- d. Strengthening the community's role in the disaster management mechanism.

4. Highlighting cultural and religious characteristics

In reconstructing cities and settlements in Aceh, local cultural and Islamic religious values should be highlighted.

Strategy:

Develop the physical appearance of cities and settlements in accordance with cultural and religious values, while raising residents' awareness in dealing with disaster.

Main Activities:

- a. Planning urban landscape and disaster-aware garden cities (coastal area greening, coasts, urban green open spaces, tsunami memorial park, mosque area green open spaces, residential areas, Aceh cultural center).
- b. Procuring various facilities for cultural and religious activities in activity centers and settlements.

5. Participatory spatial structuring approach

The process of spatial structuring under Law 24/1992 is participatory. The more detailed a spatial structure plan is, the more intensive the participatory process will be. Problem-solving starts from an introduction to the root of the problem and an introduction to what the community needs and desires in its own judgment.

Strategy:

Invite all community members to jointly and simultaneously restructure settlements in all disaster-stricken rural and urban areas.

Main activities:

- a. Prepare a spatial structure plan in a participatory way.
- b. Mapping of land ownership boundaries in a participatory way.
- c. Participatory land consolidation.
- d. Developing various protective and escape facilities in a participatory way.

6. Anticipating disaster and mitigation in disaster areas

The spatial restructuring of Aceh and Nias Islands is principally intended to mitigate disaster areas, to anticipate disaster impacts and produce an improved spatial structure compared to that in the pre-disaster period. Zoning in the spatial structure plan is based on levels of potential damage such as zone with a high level of potential damage, zone with a middle level of potential damage, zone with a low level of potential damage and safe zone. Each of these zones should have protective and escape facilities.

Strategy:

Educate community members about disaster and escape measures..

Main activities:

- a. Construct early warning system facilities and infrastructure.
- b. Strengthen the community's role in disaster management mechanism.
- c. Develop disaster education.
- d. Conduct sustainable training in escape measures.

7. Spatial structuring as a combination of top-down approach and bottom-up approach

Spatial structuring results from a combination of a bottom-up approach and a top-down approach, and conforms to the effective legislation such as land law. The top-down contribution is the availability of city and regional conceptual structures. Whereas the settlement-scale and sub-city-scale development is to be planned and implemented in cooperation with the communities concerned. As a result of the above, macro and micro considerations can proportionally be accommodated in a post-disaster regional spatial structure.

Strategy:

Integrate *kota/kabupaten*-scale public interests with settlement-scale community interests.

Main Activities:

- a. The Local Governments preparing/revising forthwith their respective Regional Spatial Structure Plans.
- b. The Local Governments facilitating the communities in the preparation of settlement-scale spatial structure plans with participatory land consolidation.
- c. Formulating local regulations and implementation regulations (including a building code) in a transparent manner.

8. Restoring local governments' role

It is the authority and task of Local Governments to prepare spatial structure plans. The draft spatial structure plans in this Master Plan were prepared by the Central Government because the Local Governments (at that time) were not functioning fully. Further, the Local Governments may use the draft spatial structure plans to finalize the process of plan preparation and continue the process of legalizing definitive spatial structure plans.

Strategy:

Facilitate the Local Governments to immediately revise their local regulations (*perda*) on spatial structure plans.

Main Activities:

- a. Providing necessary data and information for the Local Governments concerned.
- b. Assisting the Local Governments in revising *perda* on spatial structure plans and implementing regulations thereof.

9. Protecting citizens' civil rights

The citizens' civil rights are recognized and respected in the reconstruction of the disaster-stricken regions. The preparation of a more detailed/operational spatial structure plan should take into account community members' land rights. Therefore, the decision on spatial structure and its implementation should be preceded by the compilation of physical and juridical data on land. The community must be assured that their civil rights to land will continue to be maintained/will not be revoked as a result of the spatial structure decision and implementation.

Strategy:

Identify citizens' rights and reconstruct physical boundaries.

Main Activities:

- a. Reconstruct boundaries of plots of land.
- b. Prepare an inventory list of citizens' rights and legalizing the same.

10. Accelerating the land administration process

In restructuring the post-disaster use of land, the Government is to implement a physical boundary reconstruction program and a land consolidation program. To accelerate the implementation of those programs and allow public participation in the same, the

government is to issue new regulations or amend existing regulations to adjust nationally prevailing land regulations to the Aceh and Nias post-disaster conditions.

Strategy:

Prepare regulations to accelerate the land administration process in post-disaster regions.

Main Activities:

- a. Identification of existing land issues and regulations.
- b. Formulating new regulations.

11. Providing fair and affordable compensation

The decision on spatial structure plan will not end the legal relationship between a person and his/her land. So, if a person's civil rights to land are lost or eliminated as a result of the spatial structure plan decision, the person concerned should be given compensation or otherwise based on mutual agreement. The government is to provide compensation for those whose property is used for the public interest such as protective and escape facilities. The amount of compensation is to be determined in accordance with the existing regulations and with the Government's financial capacity. This policy is to be implemented in an open manner. The government will also provide assistance for those whose land can no longer be used due to being submerged or having been rendered unfit for human habitation as a result of a high level of poisoning.

Strategy:

Establish a fair and affordable compensation policy.

Main Activities:

- a. Identify the legal subjects of prospective compensation beneficiaries.
- b. Establish a mechanism for compensation.
- c. Provide compensation in a transparent manner.

12. Revitalizing natural resources-based public economic activities

Stagnant public economic activities especially in the fields of agriculture and fisheries as the mainstay of local economy should be reactivated and aid should be provided for local economic recovery. To support public economic activities and development during the rehabilitation and reconstruction period, a special strategy will be required to meet the demand for building materials originating from natural resources.

Strategy:

- a. Restore and enhance agricultural activities.
- b. Restore and enhance fishing activities.
- c. Provide basic building materials from natural resources without threatening environmental sustainability.

Main Activities:

- a. Agricultural intensification, food resilience improvement, agribusiness development, farmer welfare improvement.
- b. Restoration of fishing activities and rehabilitation of public fishponds and fish farms.

- c. Provision of timber and other building materials.

13. Restoring environmental supporting capacity and anticipating natural disaster threat

The tsunami and earthquake have caused severe environmental damage and have directly affected the current and future life of the communities.

Strategy:

- a. Secure and announce the areas affected by pollution and exposed to earthquake risk.
- b. Clean up disaster areas.
- c. Rehabilitate land.
- d. Rehabilitate coral reef.
- e. Build a buffer zone (green belt) in accordance with the character of coasts.
- f. Safeguard the existing function of conservation areas.
- g. Monitor the safeguarding and prevention against environmental risks during reconstruction.

Main Activities:

- a. Periodic survey of pollutant parameters, establishing the environmental safety status of an area, and disseminating environmental quality and earthquake risks.
- b. Disposing of tsunami solid waste, restructuring the urban garbage disposal system, restructuring the urban drainage system and establishing a liquid waste processing system.
- c. Researching into soil quality and testing plants in accordance with the soil conditions.
- d. Recollecting data on coral reef and replanting coral reef.
- e. Rehabilitating mangrove forests and rehabilitating pioneering vegetation in coastal areas.
- f. Protecting the Lueser National Park from development, protecting the function of other conservation areas in Aceh and other neighboring provinces.
- g. Conducting a regional analysis of environmental impact (AMDAL) and organizing public consultation.

14. Restoring natural resources and living environment institutional system at the government level

Administrative infrastructure and facilities mostly destroyed by the tsunami need to be rehabilitated and redeveloped, enabling the wheels of administration to run normally.

Strategy:

- a. Complete and refill the employee formation (professionals and supporting staff).
- b. Restore administrative facilities and infrastructure dealing with natural resources and local environment.

Main Activities:

- a. Conducting a disaster-responsive institutional research and recruiting new employees.
- b. Developing and rehabilitating offices and labs and completing facilities for supporting government agencies' operations.

15. Restoring and rehabilitating NAD Province spatial structure and pattern

The damaged NAD Province spatial structure and pattern are to be restored to their former condition by strengthening certain parts for better resistance against earthquake and tsunami. As part of the regional escape and development efforts, the opening of new north-south and west-east crossing roads should not compromise the sustainability of existing protection forests and wildlife reserves.

Strategy:

Coastal cities are to be developed by taking into account local aspects particularly in connection with the proneness to earthquake and tsunami and with conservation and buffer zones functioning as protecting facilities.

Main Activities:

- a. Rehabilitation to maintain the interconnection between cities in the west and east coasts and the interconnection between both regions and to encourage regional development and equalization.
- b. The facilities for crossing to small islands will be re-operated for regional economic development.
- c. Functionalizing and improving airports and seaports.
- d. Rehabilitating the interconnected electrical network system.
- e. Improving areas for agricultural cultivation and maritime operations.
- f. Rehabilitating water supply networks.
- g. Building coastal protective facilities in the form of vegetation or structures.
- h. Setting the boundaries of national park and other conservation areas and conserving them, including elephant and other wildlife reserves.

16. Reconstruction of disaster affected cities by restoring them into their initial state of order

The cities stricken by earthquake and tsunami are to be reconstructed by immediate empowerment of the affected people, restoring the initial physical order, social order and economic system, improving the damaged facilities and infrastructure, protecting lives and property from future disasters, improving the living standard of community members and providing integrated, effective, and efficient guidelines for development.

Strategy:

Collect data on and conduct mapping of citizens and their pre-disaster plots of land, solicitate community aspirations, self-restructuring of settlements by the communities concerned, community capacity and self-confidence enhancement

Main Activities:

- a. Surveying the affected areas with community members, NGOs and the government.
- b. Mapping pre- and post-tsunami areas with the community's participation.
- c. Soliciting and identifying the aspirations of community members, stakeholders, and opinion leaders.
- d. Planning settlement spatial structure by community members, including public and social facilities and an earthquake and tsunami resistance building design.
- e. Enhance the capacity of the communities in disaster-stricken areas by providing training in disaster identification, evacuation and survival in case of a disaster.
- f. Joint supervision of implementation stages with community members.

Strategy:

Rebuild and repair the damaged physical order, social order and economic system.

Main Activities:

- a. Revitalizing the people's socioeconomic facilities, infrastructure and spaces with the least changes to the land use pattern.
- b. Reconstructing and or rehabilitating the damaged areas.
- c. Repairing/reusing available facilities and infrastructure.
- d. Repairing and redeveloping the damaged infrastructure.

Strategy:

Save lives and protect property of the people living in post-disaster areas.

Main Activities:

- a. Developing an early warning system.
- b. Developing protective facilities such as a green belt system.
- c. Constructing escape facilities in the form of hills for settlements of average-low population density and in the form of buildings (mosques, *meunasah*) for densely populated settlements.
- d. Developing escape routes.
- e. Reconstructing new buildings that conform to the technical specifications of earthquake resistance and wave resistance and clearing the debris.

Strategy:

Improve the public standard of living.

Main Activities:

- a. Engaging local people in the process of reconstructing disaster-stricken areas and houses.
- b. Providing training for community members.
- c. Creating new employment opportunities.
- d. Disseminating and developing a life and property insurance system.

Strategy:

Provide integrated, effective and efficient development guidelines.

Main Activities:

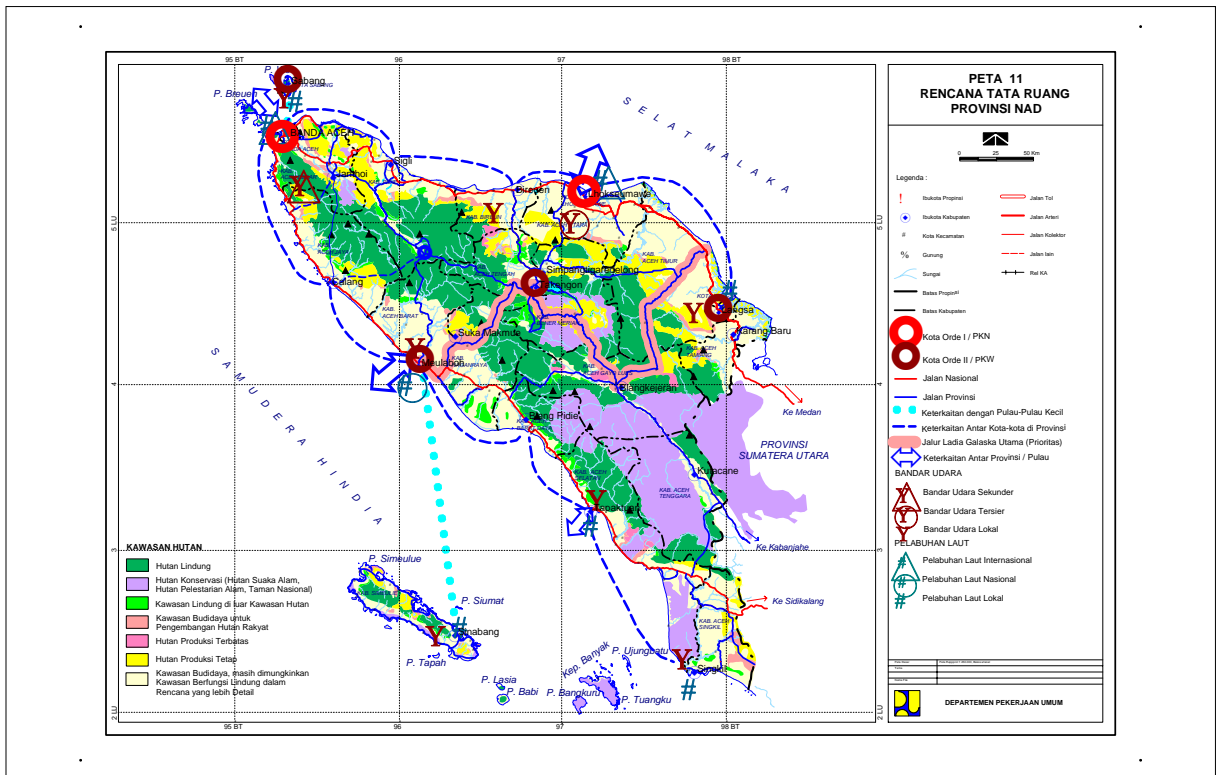
- a. Drafting integrated post-tsunami spatial structure plans on settlement, sub-city, *kota/kabupaten* and provincial scales.
- b. Preparing guidelines for rehabilitating infrastructure, public facilities, social facilities and settlements by using available/remaining materials.

5.3 Policy on NAD Province Spatial Use Structure and Pattern

In principle, the policy on province spatial use structure and pattern is aimed at restoring and rehabilitating the spatial use structure and pattern of the NAD Province. Therefore, the policy on post-earthquake and post-tsunami spatial structuring of the NAD Province in the form of spatial use structure and pattern includes the following:

1. The Center of Settlements/Cities in the West Coast will be maintained to keep the balance of growth between the West-East regions and the Central region and supported by smaller-scale growth centers involving Sigli, Bireuen, Singkil, Tapak Tuan, Blangpidie, Calang in coastal areas, and Blangkejeren and Jantho in remote areas.
2. Waterside Cities will be developed through also taking into account local aspects particularly related Earthquake and Tsunami exposure and with conservation and buffer zones functioning as protecting facilities.
3. Road networks will be rehabilitated to maintain the interconnection between cities in the West Coast and East Coast, or between both regions, and encourage the development and equalization of the regions: Meulaboh-Calang-Lamno-Banda Aceh Jantho-Sigli-Bireun to Lhokseumawe. A new road is to be constructed (related to the construction of a side road) connecting the isolated areas of West Aceh/Meulaboh and Aceh Jaya, among others Lhok Kruet-Calang-Teunom-Woyla-Meulaboh by using the oil palm plantation road and improving the rural road, reopening the Jantho-Lamno road section; Beureunun-Geumpang-Tutut-Meulaboh, Ladia Galaska Simpang Peut-Jeuram-Beutong Ateuh-Takengon road, west crossing road of Meulaboh-Tapaktuan-Bakongan; Jantho-Lamno; Calang-Tangse-Beureunun; Teunom-Sarah Raya-Geumpang; Teunom-Sarah Raya-Woyla; and Calang-Geumpang.
4. Facilities for crossing to small islands (among others to the islands of Weh, Saband and Simeuleu) will be re-operated for population mobilization and regional economic development.
5. Airports are to be operated and improved: Sultan Iskandar Muda, Cut Nyak Dien, Lasikin, Maimun Saleh, Malikussaleh, and Teuku Cut Ali Airports. Hercules aircraft can land at the airports of the west-south coasts for the purpose of evacuation and logistics supply distribution.
6. Seaports are to be operated and improved: Sabang, Malahayati, Calang, Meulaboh, Kuala Langsa, Singkil, and Lhokseumawe. A decision is to be made about the location of the Uleu-lhee replacement ferry terminal upon the completion of a technical feasibility study.

7. Interconnected electrical network systems of Banda Aceh-Sigli-Bireun-Lhokseumawe and Meulaboh-Calang-Takengon are to be rehabilitated.
8. Industrial areas in Lhoknga, Lhokseumawe, and Malahayati; trade, food crops and plantation, and coasts are to be repaired.
9. Water resource supply networks (among others irrigation channels, river basins, and coasts) are to be rehabilitated in order to support the availability of unprocessed water and clean water.
10. Conservation areas (Central) among others leuser ecosystem areas, protection forest and conservation (buffer zone and city forests) along with the coast are to be rehabilitated and reconstructed by preparing a coastal buffer zone in the form of vegetation or structures.
11. Efforts will be made to avoid locating settlements in conservation areas such as sparsely populated elephant areas in Pucok, Alue Raya, Blang Dalam & Lhok Kuala, Lamje, Kr. Batee Mirah, Kr. Alue Ceuloup, Kr. Buerieng, Can. Kaking Ungoh Batee, Tutut boundary, Uteun Cut Area, Panga, Panga-Teunom, and Lagoon.



5.4 Policy on *Kabupaten/Kota* Spatial Use Structure and Pattern

5.4.1 City System

1. Minimize changes in the existing structure, hierarchy, density and land use
2. Improve the existing roads and develop new roads as escape routes
3. Rehabilitate/reconstruct the tsunami-stricken city areas
4. Improve cities' accessibility by sea and air for the purposes of evacuation, logistics distribution and city/area rehabilitation.

5.4.2 City Spatial Structure

1. Maintain the existing city structure covering the whole area of the city.
2. Rehabilitate the existing city structure.
3. Develop disaster resistance cities and areas.
4. Use river basins as a city structure.
5. Improve the function and role of the key structural spaces.

5.4.3 Non-Cultivation Areas

1. Conservation areas
 - a. Rehabilitate and reforest the tsunami-stricken conservation areas.
 - b. Conserve and protect the areas of protected forests, city forests and mangrove forests functioning as protecting facilities and a defense against tsunami.
 - c. Develop and expand the green belt functioning as defense against disaster and as nature conservation.
 - d. Use the green belt and escape hills for a green open space.
2. Coastal Areas
Restore the function and land use of coastal areas by applying the disaster mitigation principle.
3. River Areas
Structure river areas by applying the disaster mitigation principle

5.4.4 Cultivation Areas

1. Settlement Areas
 - a. Reconstruct damaged urban settlements and facilities.
 - b. Equip the existing settlements with disaster mitigation facilities.
 - c. Develop escape buildings/vertical houses in densely populated settlements.
 - d. Create new settlement areas.
2. Historic Areas
Conserve and revitalize the remaining historic sites.

5.5 *Kabupaten/ Kota* Spatial Use Directives

The purpose of these *kabupaten/kota* spatial use directives is to offer the local governments some alternative concepts of spatial use for reference in preparing or revising their spatial structure plans and preparing more detailed spatial structure plans, such as detailed city spatial structure plans and structure plans for buildings and environment. The directives have been formulated by taking into account the above 16 (sixteen) spatial structure policies, i.e.: (1) creating a safer and better life; (2) giving

citizens the freedom of choice in settling down; (3) involving community members in disaster management; (4) highlighting cultural and religious characteristics; (5) participatory approach to spatial structuring; (6) disaster mitigation; (7) spatial structure combining the top-down and bottom-up approaches; (8) restoring local governments' role; (9) protecting citizens' civil rights; (10) accelerating the land administration process; (11) regulating compensation; (12) revitalizing economic activities; (13) restoring environmental supporting capacity; (14) restoring the natural resources and environmental institutional system; (15) rehabilitating spatial structure and pattern; and (16) reconstructing cities.

5.5.1 Kota Banda Aceh

1. Physical Zoning of Banda Aceh

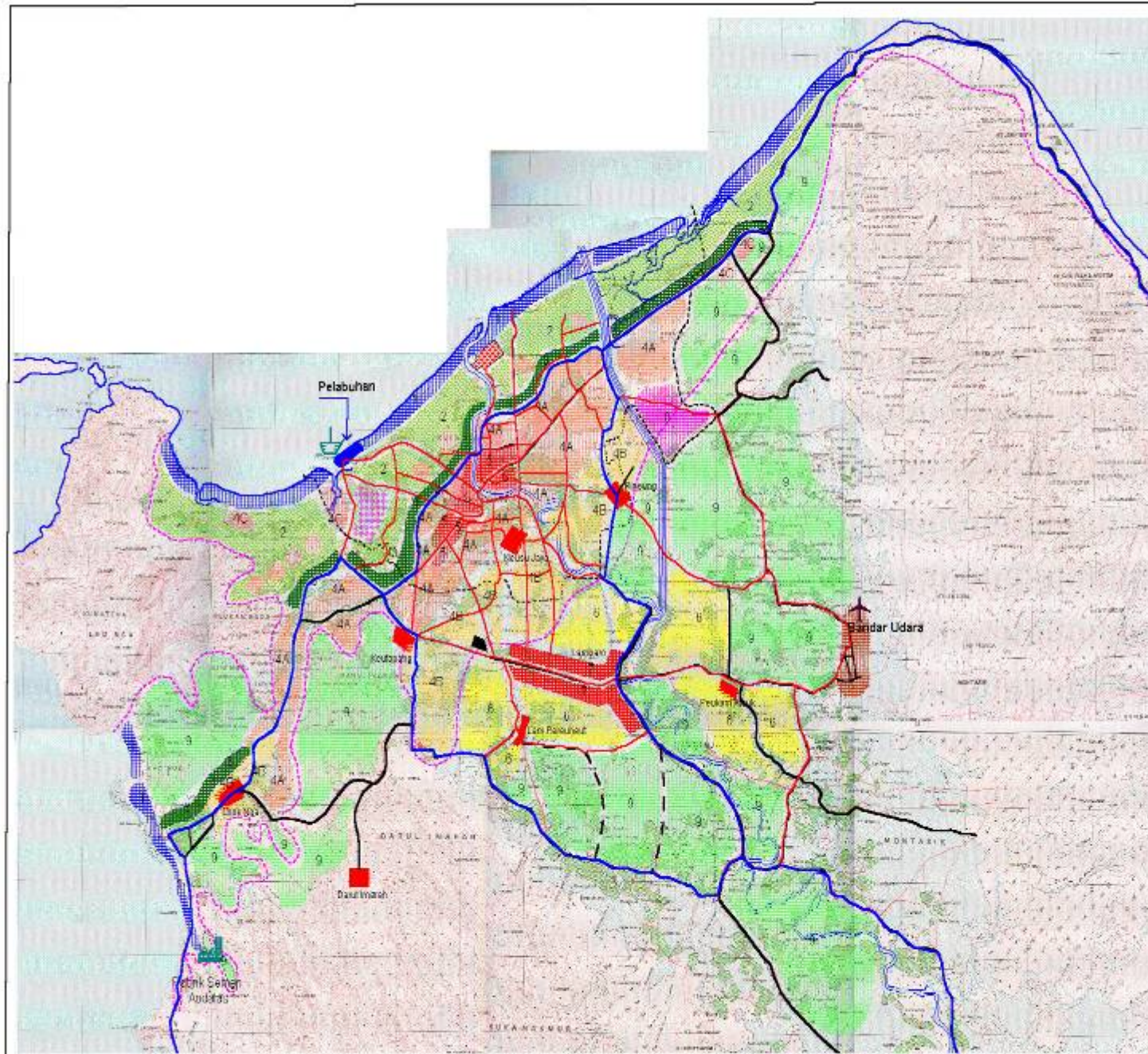
The physical zoning of Banda Aceh mostly covers Conservation Area (Zone V), Restricted Development Area (Zones I, II, and III), and Promoted Development Area (Zone IV).



2. Banda Aceh Spatial Use Directives

The spatial use pattern of *Kota Banda Aceh* and its environs adjusted to disaster-prone regional characteristics includes the following: i) coastal zone, ii) fishing/fishpond zone, city park zone, iv) settlement, restricted settlement and urban settlement zone, v) landmark and administrative center of *Kota Banda Aceh*, iv) new settlement zone for residents wishing to relocate, vii) provincial business and administrative center, and city-scale and regional-scale urban facilities, vii) higher education zone, and ix) agricultural zone.

Gambar 5.1
ZONASI DAN STRUKTUR PERKOTAAN
BANDA ACEH DAN SEKITARNYA



KETERANGAN :

- Batas Kota Banda Aceh
- Batas Daerah Hutan akibat Bencana
- Bangir Kanal

ZONASI

- 1 Zona Pantai
- 2 Zona Perikanan / Tambak
- 3 Taman Kota
- 4A Permukiman Terbatas
- 4B Permukiman Perkuburan
- 4C Permukiman Melayan
- 5 CBD Lama
- 6 Permukiman Baru
- 7 CBD (Renu)
- 8 Zona Pendidikan
- 9 Zona Pertanian
- Helabuhan Perikanan Nusantara (FPN dan TPI)
- Sub Pusat Kota
- Tsunami Park
- NKAP
- Perumahan di Zona 2 (bagi yang tidak Pindah) (di temukan dengan Konsolidasi Tanah)
- Jalan Lingkar Luar
- Jalan Arteri
- Jalan Kolektor

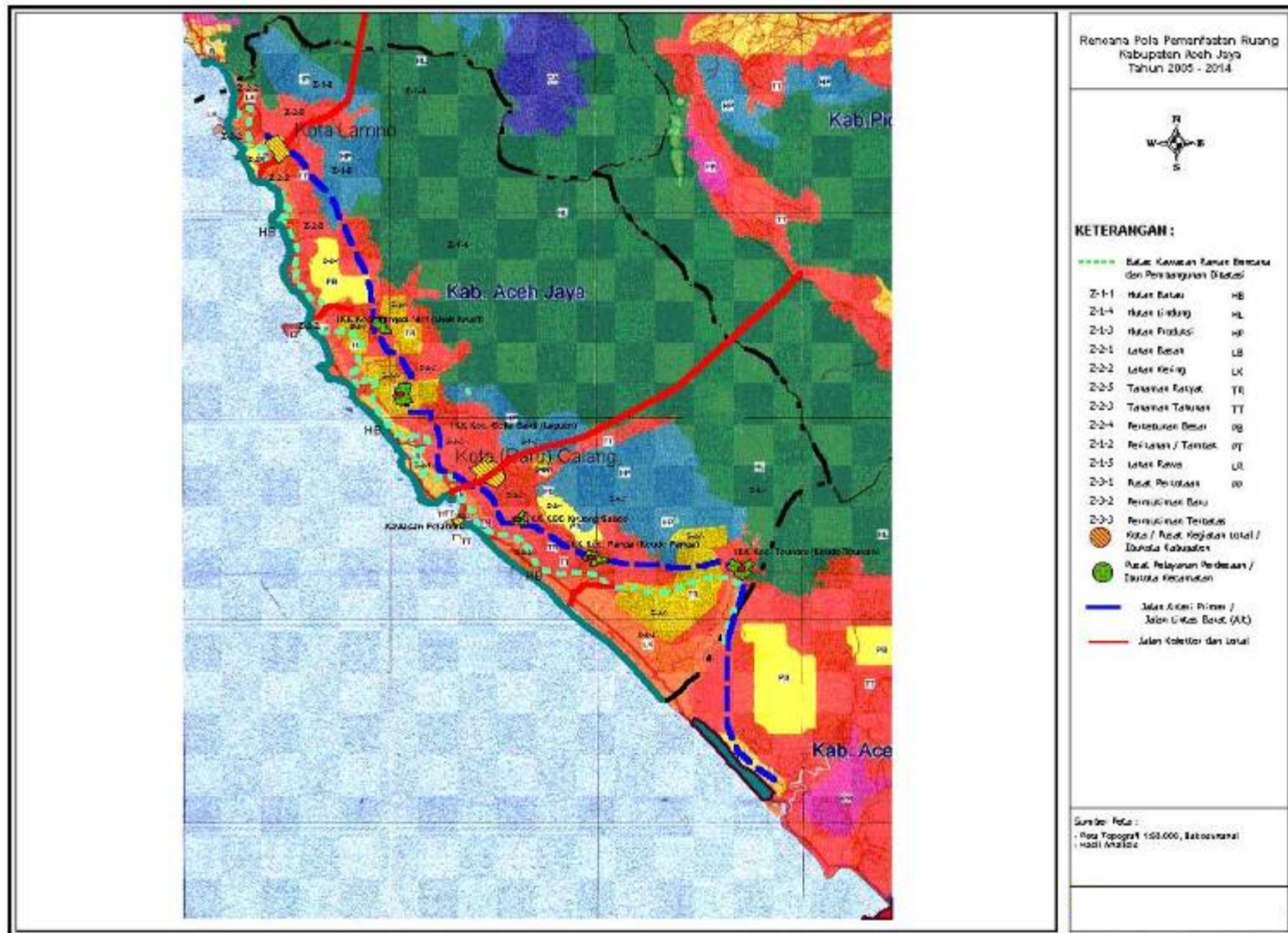
5.5.2 *Kabupaten Aceh Jaya*

The spatial use plan of *Kabupaten Aceh Jaya* includes the following conservation area use plan and cultivation area use plan:

1. Conservation area, including:
 - a. Mangrove forest and river watershed
 - b. Conservation forest
2. Cultivation area, including:
 - a. Fishery/fishpond
 - b. Production forest
 - c. Production area, consisting of:
 - wetland agricultural area
 - dry-land agricultural area
 - annual crops agricultural area
 - large plantation area
 - people's plantation area
 - d. Settlement area and urban center, consisting of:
 - urban settlement area
 - restricted settlement area
 - CBD zone and urban sub-center.
 - e. Port area

The spatial zoning of *Kabupaten Aceh Jaya* consisting of urban and rural areas adjusted to the disaster-prone regional characteristics includes the following:

1. Coastal/Mangrove Forest Zone (Z-1-1).
2. Fishery/Fishpond and Restricted Rural Settlement Zone (Z-1-2).
3. (Production) Forest/Green Open Space Zone (Z-1-3).
4. Protection Forest Zone (Z-1-4).
5. Swampland Zone (Z-1-5).
6. Wetland Agricultural and Restricted Rural Settlement Zone (Z-2-1).
7. Dry-Land Agricultural and Restricted Rural Settlement Zone (Z-2-2).
8. Annual Crops Agricultural and Restricted Settlement Zone (Z-2-3).
9. Large Plantation and Restricted Settlement Zone (Z-2-4).
10. People's Plantation and Restricted Rural Settlement Zone (Z-2-5).
11. Urban Center/CBD and Urban Sub-Center Zone (Z-3-1).
12. New Settlement Center Zone (Z-3-2).
13. Restricted Settlement Zone (Z-3-3).



5.5.3 Kabupaten Aceh Barat

The spatial use pattern of the area along the coastline of *Kabupaten Aceh Barat* and *Kota Meulaboh* adjusted to the disaster-prone regional characteristics includes the following zones:

1) Zone N1:

Tidewater front zone minimum 100 meters away from the high tide. This zone will be used as a protective facility (a buffer zone) with mangrove forest, *waru laut*, and other buffer plants according to the coast's characteristics.

2) Zone N2:

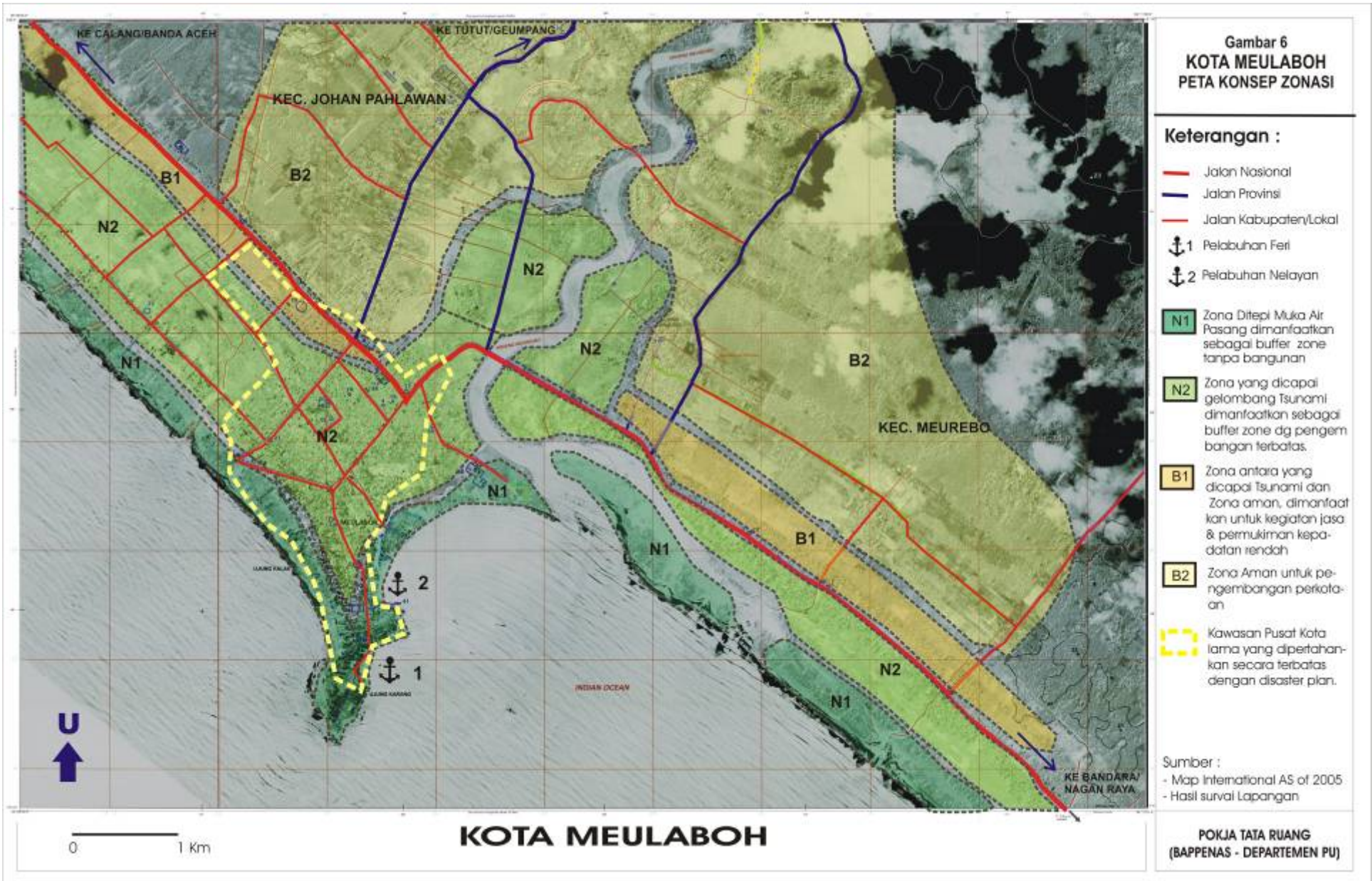
Zone reached by tsunami waves of more than 1 meter above sea level. The space of this zone will be used as plantation land or a city park with buffer plants serving as a Buffer Zone and with restricted development of buildings and low density settlements (fish auction market, fishermen's villages, etc.), with a disaster mitigation plan.

3) Zone B1:

Transitional zone (intermediate zone) reached by tsunami waves of less than 1 meter above sea level, located before the safe zone. The space of this zone will be used for service and trade activities with settlements of low to average density.

4) Zone B2:

Zone safe from tsunami attacks. The space of this zone will be used as business center (CBD), social services, and densely populated urban settlements, adjusted to the capacity of local land and existing spatial use.



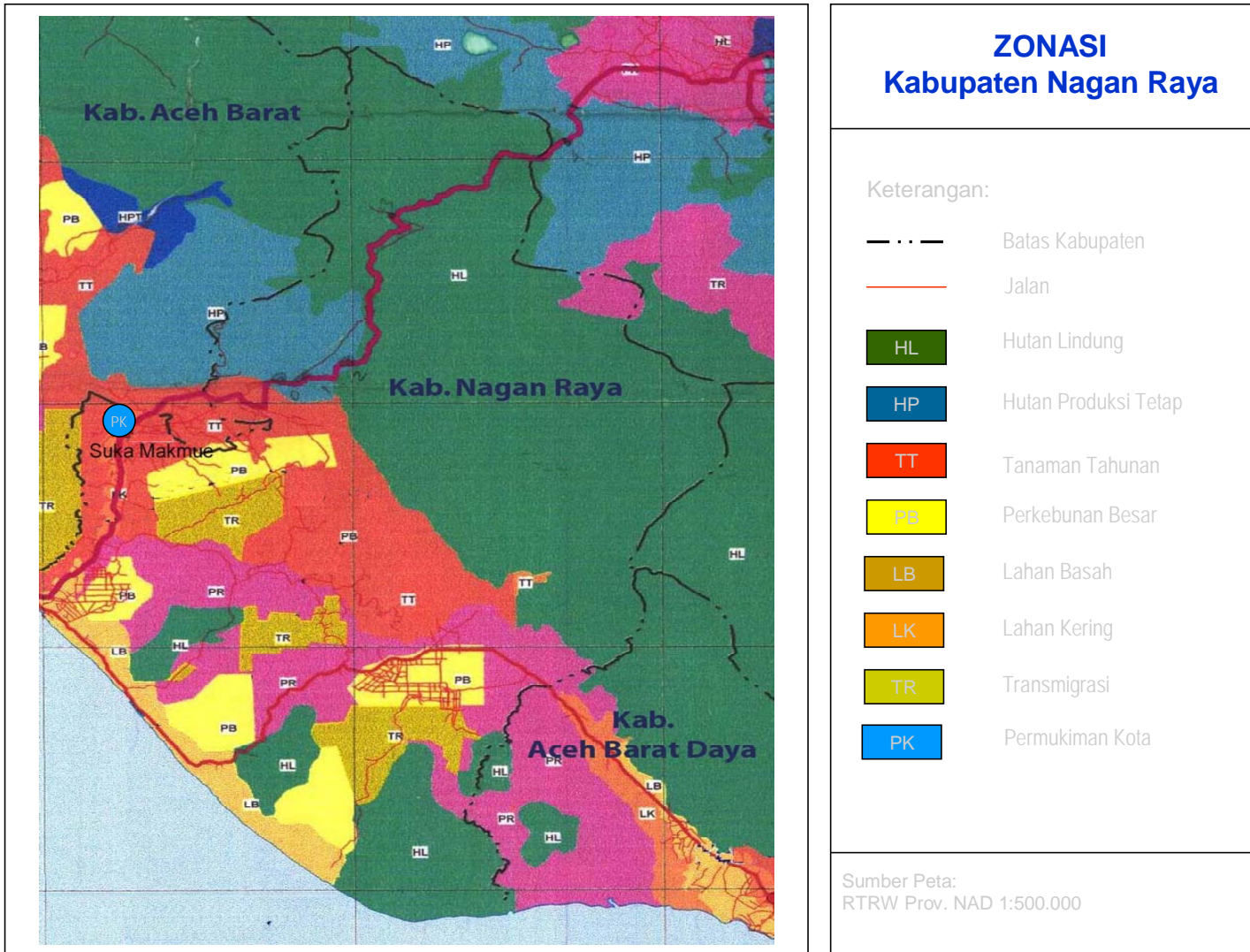
5.5.4 *Kabupaten* Nagan Raya

In general, the spatial use directives selected for explaining the concept of post-disaster spatial structuring in the coastal area of *Kabupaten* Nagan Raya are as follows:

- Develop social and economic service centers by taking into account disaster-proneness, environmental supporting capacity and development efficiency.
- Reconstruct fishing ports (fish auction markets/TPI) in Kuala Tuha and Kuala Tadu.
- Restructure settlement areas using earthquake and tsunami resistance buildings furnished with disaster mitigation facilities.
- Develop a buffer zone or a green belt in the form of a coastal forest along the coast with coconut palm and casuarina trees (adjusted to soil characteristics), width 400-600m, density 30 trees per 100m², trunk diameter 15cm, expected to stifle 50% of tsunami energy.
- Maintain the current airport of Cut Nya Dien with a protective embankment built around it to keep it safe from disaster.
- Restructure former activity centers/settlements along the coastline.
- Establish a Spatial-Structure-Plan-based early warning system and disaster management.

Furthermore, the spatial use directives are translated in the spatial zoning plan of *Kabupaten* Nagan Raya by taking into account disaster-proneness. The spatial zoning of *Kabupaten* Nagan Raya includes the following:

1. Coastal Zone (consisting of Buffer Zone, Farm, and Settlement)
2. Protection Forest Zone
3. Permanent Production Forest Zone
4. Settlement Zone
5. Business Zone, consisting of:
 - 5.a. Large Plantation
 - 5.b. People's Plantation
 - 5.c. Wetland
 - 5.d. Annual Crops



5.5.5 Kabupaten Simeulue

The directives for spatial structuring of *Kabupaten Simeulue* are as follows:

1. Reconstruct tsunami-affected urban and rural settlement centers.
2. Restructure cities/villages with the following zoning: buffer zone, green open space, tourism, agriculture, plantation, settlement of low density or other functions of low level of activity.
3. Restructure and develop *Kota Sinabang* with the main activities of port area, training and distribution services by building its supporting facilities.
4. Protect rural, fishing and agricultural settlements by developing a buffer zone and an easily accessible escape zone.
5. Support the reconstruction and restructuring of infrastructure, road networks, irrigation, and water supply, drainage and so on for urban and rural settlements.
6. Restructure the areas along the coastline by regulating their use for mangrove ecosystem, watershed, plantation, agriculture, fishery/fishpond, restricted rural settlements, marine and coastal tourism, and island ring road.
7. Maintain the functions of conservation forest, production forest, restricted production forest and convertible production forest.

Furthermore, the spatial use directives are translated into the following spatial zoning directives:

I. Zone I (0-3 meters above sea level), area between the coastline and the island ring road

1. Mangrove Zone (Mangrove Forest) Z.1-1
2. Watershed Zone (100 meters from coastline) Z.1-2
3. Plantation Zone Z.1-3
4. Fishery (Fishpond) Zone Z.1-4
5. Agricultural Zone Z.1-5
6. Highly Restricted Rural Settlement Zone (0-3m above sea level) Z.1-6
7. Marine and Coastal Tourism Zone Z.1-7
8. Island Ring Road Z.1-8

II. Zone II (3-6 meters above sea level), restricted use area

1. Agricultural Zone P.2-1
2. Plantation Zone P.2-2
3. Fishery and Fishing Zone P.2-3
4. Restricted Rural Settlement Zone (3 to 6m above sea level) P.2-4
5. Marine and Coastal Tourism Zone P.2-5

III. Zone III (>6 meters above sea level), area safe from tsunami

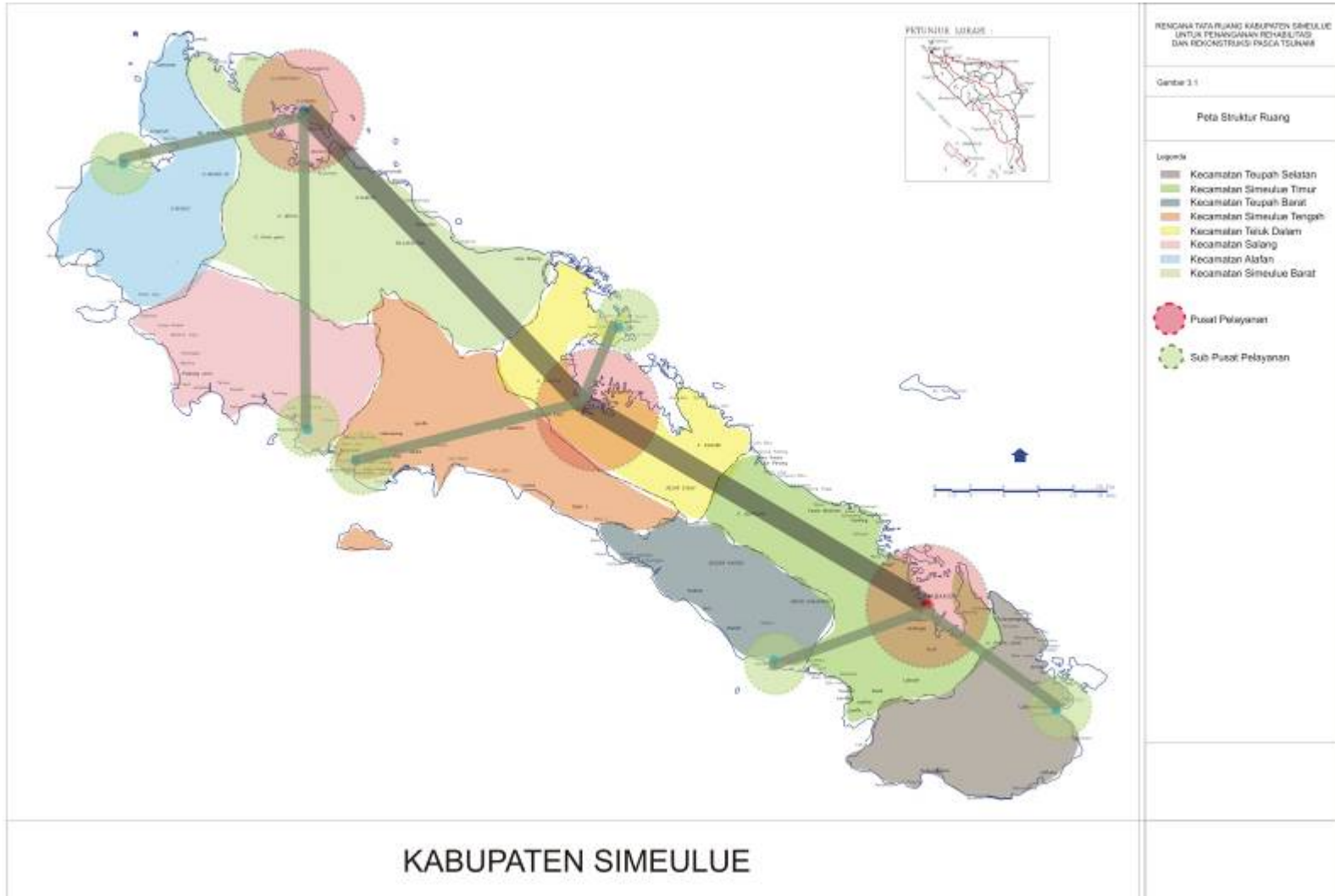
1. New Settlement Center Zone M.3-1
2. Old City Zone M.3-2
3. Trade Zone M.3-3

4. Airport Zone M.3-4
5. Agricultural/Plantation Zone M.3-5

IV. Zone IV, forest area

1. Production Forest Zone H.4-1
2. Restricted Production Forest Zone H.4-2
3. Convertible Production Forest Zone H.4-3
4. Conservation Forest Zone H.4-4
5. Large Agricultural/Plantation Zone H.4-5

KABUPATEN SIMEULUE SPATIAL STRUCTURE PLAN FOR POST-DISASTER REHABILITATION AND RECONSTRUCTION



5.5.6. Kota Lhokseumawe

For areas damaged by tsunami there will be evaluation and review of spatial use directives by taking into account the level of damage and development prospect:

- 1) If the characteristics of the damage are disappearance/destruction of fishing and population settlements and settlement facilities and infrastructure supporting their socioeconomic life, the spatial use directives will be conservation-oriented but will still consider the existing potential economic development and management aspects to protect the areas or minimize the damaging impacts on the areas in case of a future disaster.
- 2) If the damage is not serious because the areas were just overflowed by the waves without eliminating or destroying settlements and facilities and infrastructure supporting their socioeconomic life, the spatial use directives may be adjusted to the ones specified in the Regional Spatial Structure Plan (RTRW) by adding the function of “public shelter” from earthquake and tsunami in the case of a disaster in the future.

For the areas where settlements and infrastructure/facilities have been severely damaged, there will be a review of the following:

- 1) The necessity to create a “buffer zone” functioning to minimize “abrasion” impacts and protecting human settlements against stagnant seawater at high tide.
- 2) At estuaries and points where there are fish auction markets and fishing boat moorings, “safety” and the sustainability of fishing activities must be taken into account when creating buffer zones.
- 3) Fishermen’s settlements located in the buffer zone are to be rehabilitated and equipped with disaster mitigation facilities and economic activity infrastructure, including fish auction markets (TPI), boat moorings, and so forth.
- 4) Construction of new settlements can only take place upon the request of the affected community.
- 5) Infrastructure and facilities in the buffer zone will be constructed for protective purposes only, such as coastal embankment, wave breaking structures, and inspection road and escape route.
- 6) Possible cultivation activities include fish farms, salt production, and agriculture (wetland and dry land).

For the slightly damaged areas overflowed by the tsunami waves, spatial use will be adjusted to the specifications in the RTRW by adding the following functions:

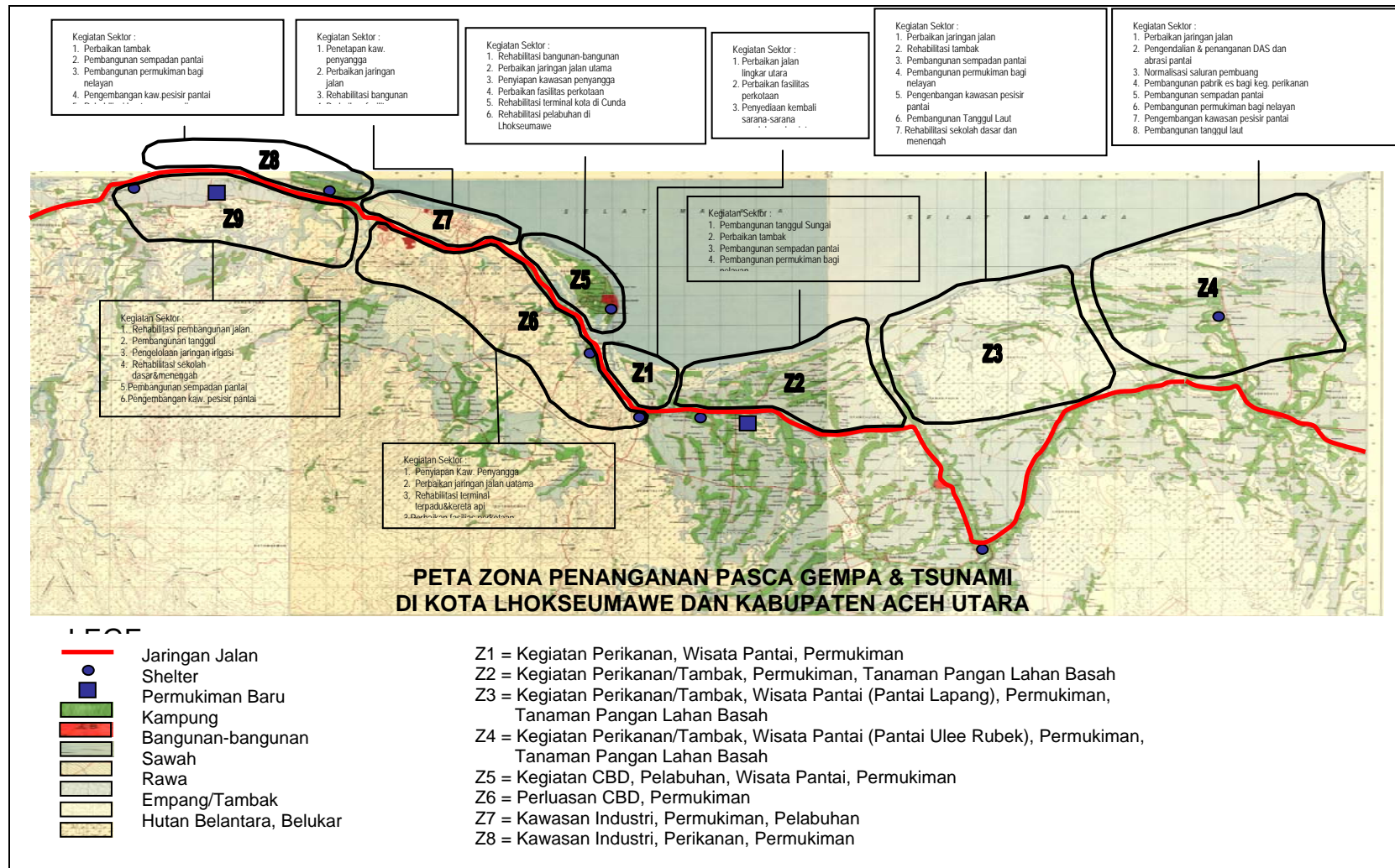
- 1) Settlement and village-scale social activity centers.
- 2) Shelter from tsunami danger.

- 3) Restricted *kecamatan*-scale rural economic activity centers to directly support fishing, fish farm, salt production and agricultural activities.

Spatial use zoning is to include the following:

1. Coastal conservation zone
2. Fishing infrastructure zone
3. Fishpond zone
4. Agricultural zone
5. Rural settlement zone
6. Urban settlement zone
7. *Kecamatan* economic center zone
8. City economic center zone
9. City service center zone
10. Industrial zone.

MAP OF POST-EARTHQUAKE AND TSUNAMI MANAGEMENT ZONE IN *KOTA LHOKSEUMAWE* AND *KABUPATEN ACEH UTARA*



5.5.7 Kabupaten Bireun

Kabupaten Bireun Spatial Use Directives

1. Coastal Zone

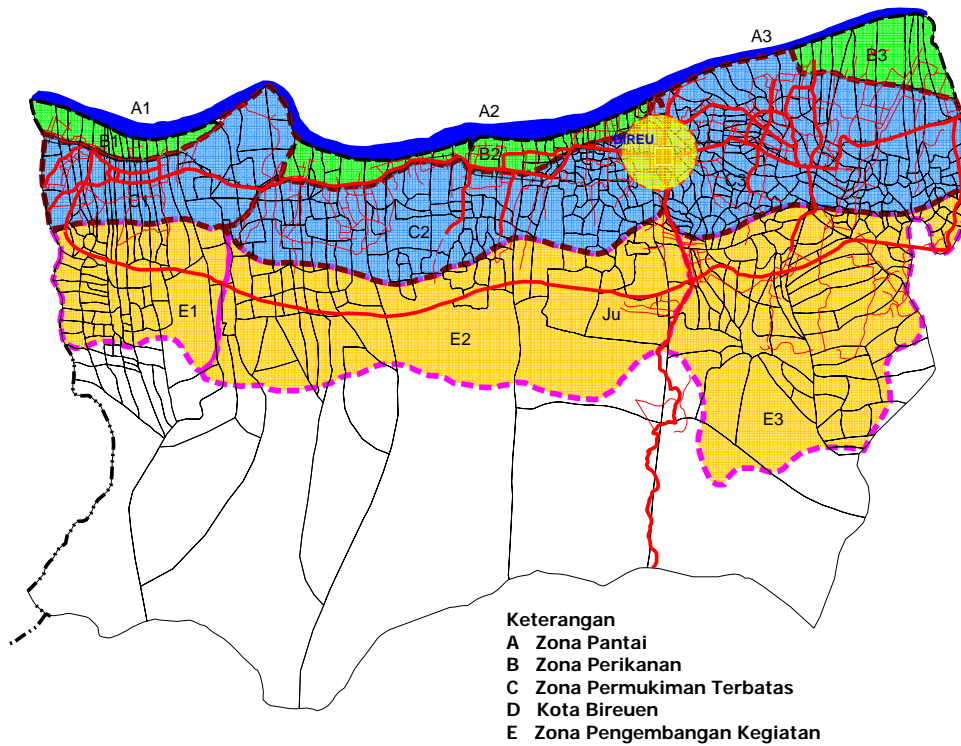
This zone is spread across the coast from East to West of the *Kabupaten Bireun*. The main activities include buffer zone, and fishing and fish farm cultivation zone, whereas auxiliary activities include fishing port and the development of the Kuala Radja local port, Batee Geulumpu Industrial Estate Port, and Peudada Fishing Port as an alternative to improve the economic accessibility of the *Kabupaten Bireun*.

2. Restricted Settlement Zone

It is planned to locate this restricted settlement zone along the road to the Coastal Zone formerly full of settlements and in various areas damaged by earthquake and tsunami. This zone is developed for restricted settlements and agricultural cultivation with (government and public) buildings of earthquake and tsunami resistance construction.

3. Activity Development Zone

This zone is located to the south of the national road. The main activities include wetland agriculture (irrigated field) and dry land agriculture. In some parts of this zone some new settlements will be established (Gampong Putoh, Blang Rangkuluh, Leubu Mesjid), serving as an alternative expansion of settlements in the Restricted Settlement Zone and an alternative road to reduce the burden of the national road.



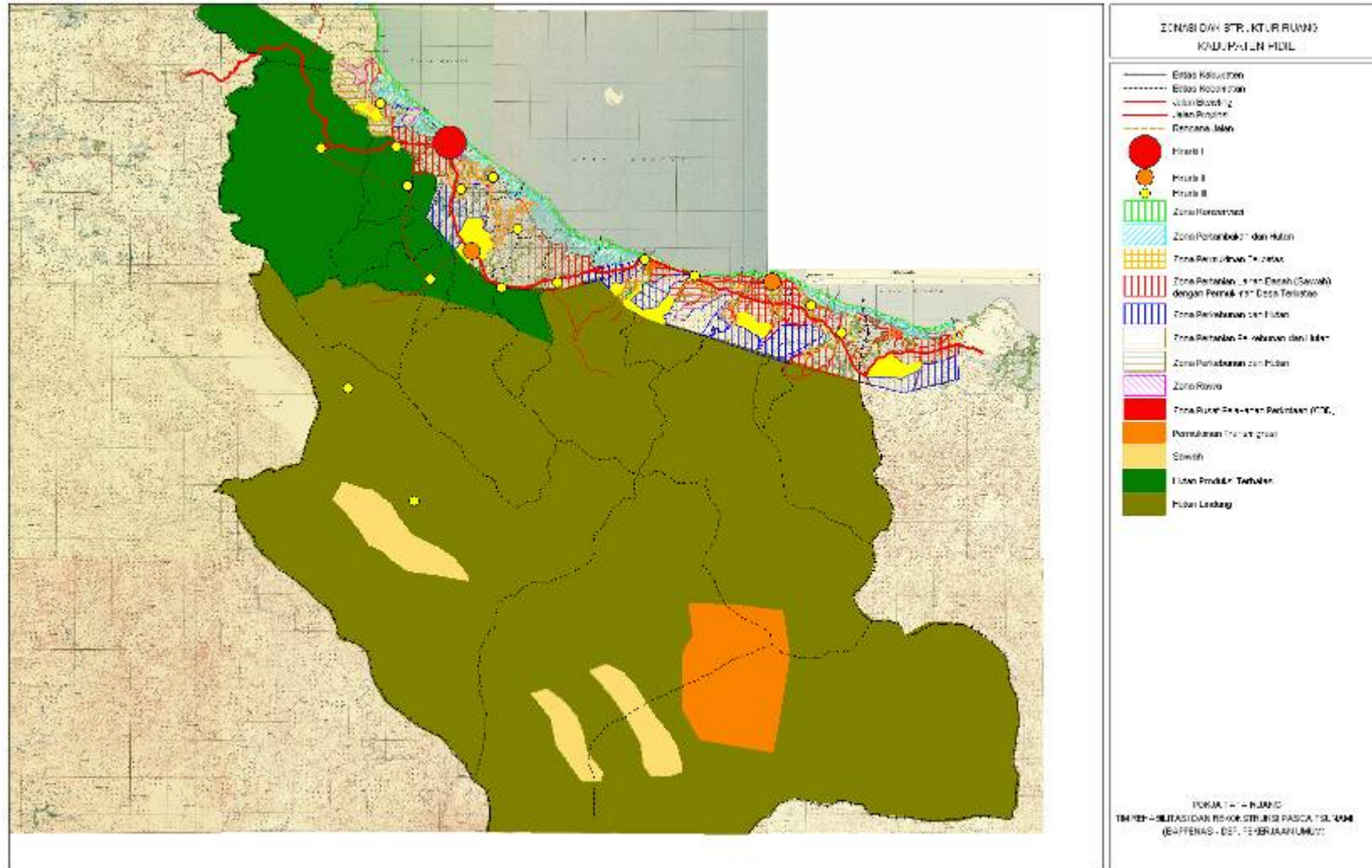
BIREUEN ZONING

5.5.8. Kabupaten Pidie and Kota Sigli

Kabupaten Pidie Spatial Use Directives

1. Conservation zone
2. Fishpond and forest zone
3. Restricted settlement zone
4. Wetland agricultural zone (irrigated field) with restricted rural settlement
5. Plantation and forest zone
6. Agricultural, plantation and forest zone
7. Swampland zone
8. Urban service center zone (CDB)
9. Transmigration settlement
10. Irrigated field
11. Restricted production forest
12. Conservation forest

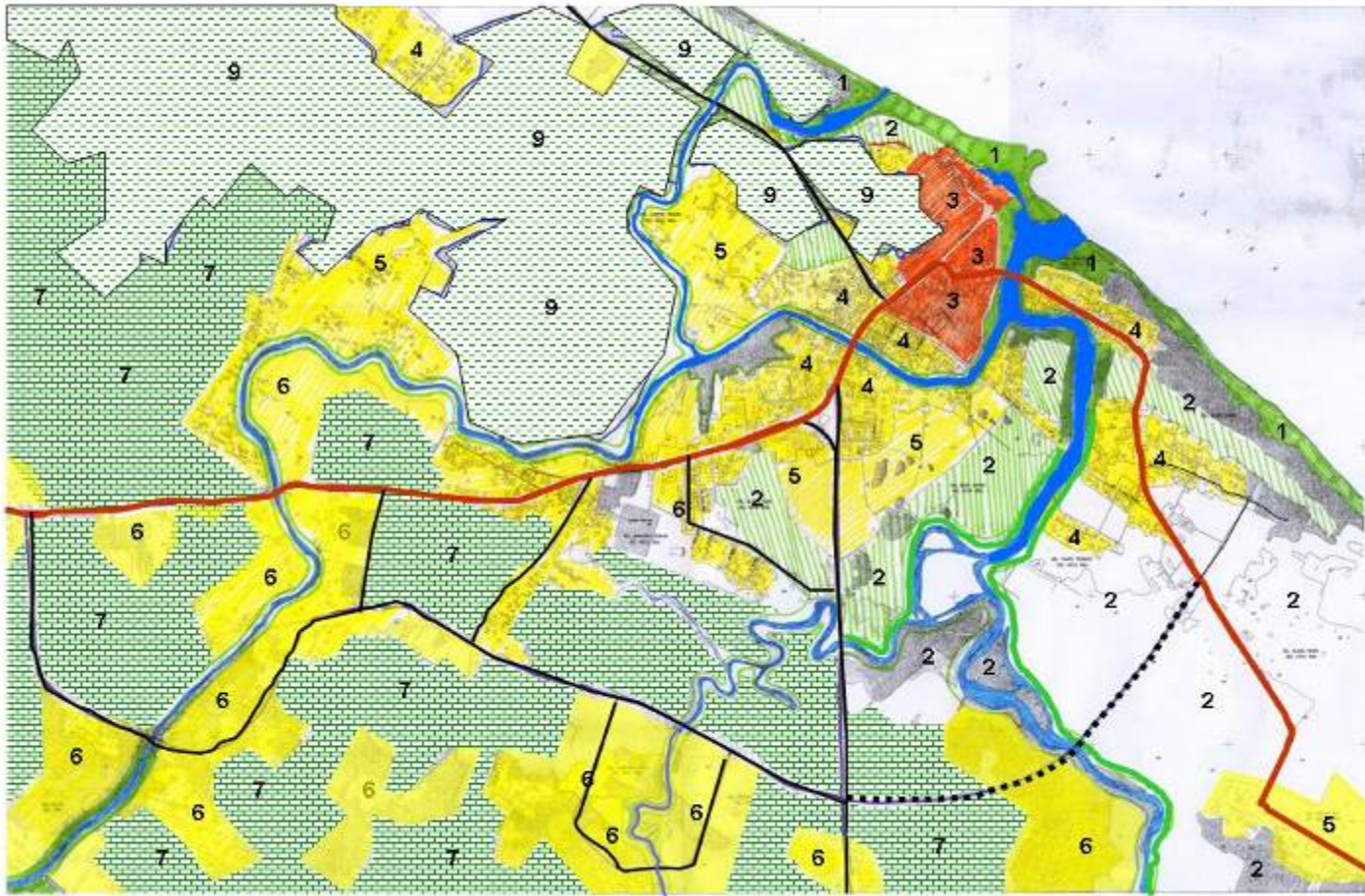
ZONING AND SPATIAL STRUCTURE OF *KABUPATEN PIDIE*



Kota Sigli Spatial Use Directives

1. Coastal forest zone
2. Fishpond and wetland agricultural zone with very restricted settlement
3. Commercial and office zone
4. Densely populated restricted settlement zone
5. Low-density restricted settlement zone
6. Urban settlement zone
7. Irrigated field zone
8. Plantation and protection forest Zone
9. Swampland zone

ZONING OF KOTA SIGLI



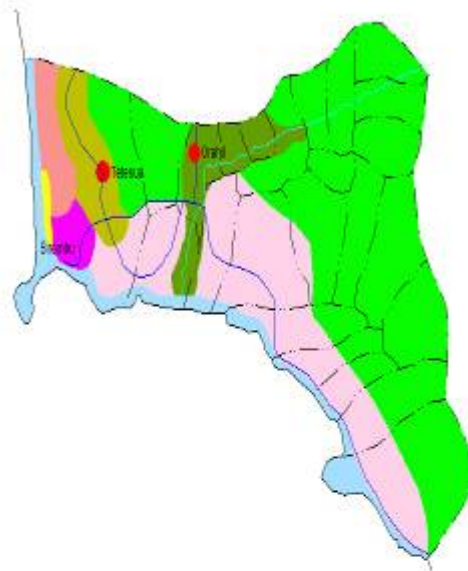
5.5.9 *Kabupaten Nias*

The utilization pattern of the *Kabupaten Nias* consisting of urban and rural areas adjusted to disaster-prone regional characteristics includes the following:

No.	Utilization Pattern	Code
1.	Mangrove forest	Z-1-1
2.	Fisheries and restricted rural settlement	Z-1-2
3.	Forest/production forest/green open space	Z-1-3
4.	Conservation forest	Z-1-4
5.	Swampland	Z-1-5
6.	Tourism	Z-1-6
7.	Wetland agriculture and restricted rural settlement	Z-2-1
8.	Dry-land agriculture and restricted rural settlement	Z-2-2
9.	Annual Crops and restricted settlement	Z-2-3
10.	Large plantation and restricted settlement	Z-2-4
11.	People's plantation and restricted rural settlement	Z-2-5
12.	Urban center/CBD and urban sub-center	Z-3-1
13.	New settlement center	Z-3-2
14.	Restricted settlement center	Z-3-3
15.	Public, social, and economic facilities	Z-3-4

The following is an example of the utilization pattern in the *Kecamatan Sirombu*.

PETA ZONASI KAWASAN SIROMBU



- KETERANGAN
- Batas Kecamatan
 - Batas Desa
 - Jaringan Jalan
 - Z-1-1: Zona Konservasi Terbatas
 - Z-1-2: Zona Permukiman Melayan
 - Z-1-3: Zona Hutan Produksi
 - Z-1-4: Zona Hutan Lindung
 - Z-1-6: Zona Pariwisata
 - Z-2-1: Zona Pertanian dan Permukiman Terbatas
 - Z-3-1: Zona CBD
 - Z-3-2: Zona Permukiman Baru

Chapter 6

Cross Cutting Issues

Following, we will clarify specifically several cross cutting issues that are related to aid for non-public earning assets recovery; land ownership title; children and women disaster victims; and the issue of security in managing rehabilitation and reconstruction.

6.1. Non-Public Assets Recovery Aid (Personal Property).

In connection with the disaster in the Nanggroe Aceh Darussalam (NAD) Province, the Government intends to provide aid for the community in order to be able to start their economic activities. The difficulty to start economic activities is a problem that must be solved as soon as possible. One effort is to give aid to the community for the recovery of their assets. The aid for the recovery of the people's assets will be divided into three types, namely:

1. Aid for the replacement of land

The aid for the replacement of land will only be given to those whose land can no longer be used for living as a result of the disaster. Land can no longer be used for living due to the destruction of the land because of being inundated or because technically it is no longer feasible to be occupied. As it is known, there is no obligation for relocation of residences. Thus the decision to live in the previous location or to move to a new location will be completely decided by the people concerned. For locations that can no longer be used because of destruction, being lost or inundated by water, the government plans to provide aid in the form of 200 m² of land with a core house on it of 36 square meters per family at a location stipulated by the government. The civil relations with the destroyed land will not experience any change. Whereas those who choose to move to a new place because their land technically cannot be used, the government will assist by providing aid in the form of land with an area of 200 square meters with a core house on it of 36 square meters per family at a location stipulated by the government. The land that was previously owned will become government property without compensation.

In the event of a change in the land designation on the grounds that it will be used in the interest of the people, such as the construction of a safety channel, compensation to the people will follow the normal compensation mechanism according to the applicable laws and regulations.

2. Aid for housing

In order to relieve the burden on the victims of the earthquake and tsunami disaster in the NAD and North Sumatra Provinces, the government will provide a core house of 36 square meters for each family. The government plans to make a contribution for a 36

square meters type house namely Rp.28 million for a house that is totally destroyed and Rp.10 million for a lightly and moderately destroyed house. The aid may be used to build a core house on the location of the house before the earthquake and tsunami disaster or at resettlement locations made available by the government for those people who wish to be resettled.

In order to provide facilities in selecting design, repairing and building houses, the government will provide information on several alternatives for earth quake-proof houses (informed choice), technical assistance (supervision) in house building, and training in skills (masonry and carpentry) for the people.

3. Aid for the recovery of the people's earning facilities

The aid for recovery of the people's earning assets in order to restart their economic business activities will take place through three channels. **First**, capital grants in the form of modest business equipment to micro entrepreneurs the use of which is of an individual nature with a maximum grant value of Rp.2 million. This aid will be given directly to the people to help them conduct their economic activities. This direct aid will be carried out through a community-based approach.

Second, aid to community groups ranging between Rp.5 million to Rp.15 million. This grant will be given to a group consisting of 4-6 members to procure production/equipment facilities with a capital value that is higher than the first type of aid. Basically the ownership of production facilities may be of a private ownership character, however as an initial effort to get business activities moving, the procurement of goods as production facilities through this scheme will be given in common ownership or common utilization of the group members (common facilities). This aid may be used as a matching grant fund should the group need production facilities with a value of more than Rp.15 million. The shortage of fund needs may be obtained through the bank mechanism. For this purpose, a longer grace period and softer loan conditions will be allowed. In order to avoid moral hazards, it is not advised to provide interest subsidies. The grant mechanism in this scheme will also use the community-based approach and will be implemented through the *BKM* [Badan Keswadayaan Masyarakat or Community Self-supporting Agencies].

Third, providing bank loan facilities for small, medium and big enterprises. The facilities will be in the form of an extended grace period and softer loan conditions and no interest subsidies.

The community-based approach needs the establishment of community self-supporting agencies (*BKM*) that will function as a policy making forum and moving the community in the planning, implementation, financing and control in the management of said aid. The establishment of such *BKM* should use the regional administration basis prior to the disaster. The initial steps will consist of identifying and regrouping the disaster victims based on their villages prior to the disaster. The establishment of this *BKM* will need a facilitator who has been trained before. Upon the existence of this *BKM*, the decision as to who will receive aid, in what form and where they will live can be taken at community level.

The community-based approach aid will be given to individuals and micro enterprises to be grouped in 3 activities, namely economic activities, general infrastructure investment, and social activities.

6.2. Land Title

The issue of land title basically is related to the legal subject (the party that controls the land) and the legal object (the land). The earthquake and tsunami have had a physical impact on the buildings on the land together with the land in the NAD Province and the Nias Islands – North Sumatra. The issue of land title can be categorized as follows:

1. Viewed from the legal object or the land:
 - a. Physically the land still exists; or
 - b. The land is gone/destroyed, for example inundated etc.
2. Viewed from the absence of a land owner or the party that controls the land (legal subject):
 - a. Land whose owner still exists, or
 - b. Land whose owner no longer exists.

The above issues can be explained in detail as follows:

Viewed from the aspect of the legal object (the condition of the land):

1. In the event that the land physically still exists, there are 2 possibilities. First, the boundaries of the land still exist and are clear; in that case, the problem that must be settled further concerns the legal subject (the owner) of said land. Second, the land still exists, however the boundaries are no longer clear, in that case, a mechanism is needed to determine the land boundaries.
2. The land is gone/destroyed, in that case, it will be necessary to formulate definitions regarding the destroyed/lost land because this matter has not yet been regulated distinctly in the laws and regulations.

Viewed from the aspect of the legal subject (the owner/ the controller of the land):

1. Land the owner/the controller of which still exists:

There are two possibilities in this category, namely the land is registered or not registered. The alternatives for settlement from the legal aspect are as follows:

- (1) Land the owner/controller of which still exists but is not registered.
 - (a) An examination will be conducted on the land title subject and object.
 - (b) To be published for 2 (two) months.
 - (c) Issuance of a new land certificate.
- (2) Land the owner/controller of which still exists and is registered.
 - (a) Public announcement for 2 (two) months.
 - (b) An oath from the applicant for a certificate on the land, stating that he/she is the owner of the said land.
 - (c) Issuance of a replacement certificate.

2. Land the owner/the controller of which no longer exists:

The *Ulema* Consultative Council [MPU] has stated a binding ruling (*Fatwa*) No. 2 Year 2005 stating that “Land owned by a person who has died without leaving heirs will become the property of the Islam community, through the *Baitul Maal*.” This *fatwa* also states that “A claim on title and a claim of inheritance on land of tsunami victims will only be accepted within 5 (five) years since the tsunami occurred. After that, it will be declared obsolete. Whereas for children who have not yet reached adult age when the tsunami occurred, the right to file a claim will be extended until they are 19 years old.”

The tasks, functions and competencies of the *Baitul Maal* are contained in *Qanun* No. 7 Year 2004 regarding the Management of Tithes. Pursuant to the applicable laws and regulations the *Baitul Maal* cannot yet be categorized as a Legal Entity. Thus, the *Baitul Maal* does not meet the requirements as a legal subject holding title on land. Therefore, it is necessary to make a further assessment on the legal status of the *Baitul Maal* as a legal entity that can hold title on land, in particular in managing “ownerless lands.”

Government Regulation in lieu of a Law (*Perpu*) on the Handling of Land Issues in the NAD and Nias Islands-North Sumatra Provinces

A legal basis will be necessary for handling the special conditions that have occurred in Aceh and Nias Islands, North Sumatra as a consequence of the earth quake and tsunami disaster in respect of land issues, namely:

1. Provisions on the Legal Object (land)

- (a) Provisions will be required regarding “destroyed land”. Article 27 sub-article b in conjunction with Article 34 sub-article f in conjunction with Article 40 sub-article f of Law No. 5 Year 1960 on Agrarian Basic Principles (*UUPA*) state that title on land (ownership right, land use right, building use right, management right) are declared “void” amongst other things when the land is “devastated”. The definition of devastated is land the physical shape of which is no longer recognizable. Yet, this definition does not yet explain the criteria of “devastated land” so that we need provisions in the laws and regulations regarding the definition and criteria of devastated land.
- (b) The results of scanning on land certificates as proof. Part of the land data maintained by the National Land Agency (BPN) has been lost and another part has been damaged by the floods. Part of the said inundated data were rescued through scanning (digitally stored on computers). The current procedural civil code only accepts authentic deeds as legal proof in a court of law and does not accept proof in digital form as the result of scanning. Therefore we need special procedural civil code provisions applicable in NAD and Nias Islands, North Sumatra, regarding the admission of scanned land title certificates as legal proof.

2. Provisions regarding the Legal Subject

- (a) Responsibility of the applicant for the issuance of a certificate

The applicant for the issuance of a certificate must be responsible for the material truth of the documents submitted to the competent agency (BPN, Shariah Court).

- (b) A ban on transactions/transfer of land title before there is clarity on the land subject-object.

Based on the *MPU Fatwa* (binding ruling) No. 2 Year 2005, the MPU proposes to the Government or the Supreme Court to instruct Land Deed Officials [*PPAT*] not to accept requests for transaction of the transfer of title on land of tsunami victims if the existence and the boundaries of such land are not yet clear, and the proof submitted is not valid or not yet sufficient. In order to guarantee legal protection for holders of legal land title, the *PERPU* needs to regulate a ban on transaction/transfer of land title during a certain period.

In the same item, the said *fatwa* also states that in the event of a dispute regarding inheritance, title on land, *hadhanah* and determination of fate, this will be the competence of the *Shariah* Court. Therefore a *PERPU* will be required so that the *Shariah* Court will be able to carry out such competence.

3. Baitul Maal

An assessment will be necessary regarding the *Baitul Maal* as a legal subject that can hold title on land.

4. The Mechanism of Publication and Oaths

The community expects an accelerated process in issuing replacement certificates on land title. The regulations in force state that an announcement for 2 (two) months and an oath from the applicant that he is the legitimate owner of said land will be required. In the event that the publication period and oath will be shortened, a *PERPU* will be required.

6.3. Children And Women

The number of children and women victims of the earthquake and tsunami disaster in the Province of NAD and Nias Islands, North Sumatra is quite high. The information from several Aceh based NGOs explain that one of the reasons why there are more male survivors as compared to female ones when facing the earthquake and tsunami might be due to the possibility that the girls and women of Aceh are not encouraged to be active in sports in particular swimming, so that their physical resilience was not optimal. Upon the tradition that women take care of many things, women divide their attention among their children, parents, and family members, so that their concentration on saving themselves was not optimal.

Girls and women have specific needs in handling the disaster consequences, so that their needs during the disaster settlement phase need to get special attention and need cross cutting and integrated solutions.

The problem faced by children and women, aside from the physical and psychological traumas is the increased risk of sexual harassment and human trafficking. There has

already been trauma counseling services for psychologically traumatic children and women, which will be continued through the women trauma center and the children trauma center. An Anti Trafficking Task Force and Prevention of Abuse will be established to prevent children abuse and trafficking. In addition, efforts have already been undertaken to re-unite children with their families through the “family re-unification” activity.

With the large number of women that have lost their livelihoods or who must become the breadwinners for their families, efforts will be made to improve economic business activities for women in particular who are the head of the family. In order to help children and women solve legal problems that might occur in the future, legal aid services will be prepared including the issuance of birth certificates free of charge to children.

In order to safeguard the sustainability of protection efforts during the rehabilitation and reconstruction phases, a Women’s Empowerment Integrated Services Center for Women's Empowerment (*P2TP2*) will be established that can accommodate and channel the specific needs of women.

The implementation will be cross cutting with a participative role of NGOs and the community. This is in line with the cultural and traditional concept of Aceh that observes the role of women in decision making and in the protection of children. Thus, it will be important to cross cut the handling of the issue of protection of children and women and gender equality.

6.4. Security Issues

6.4.1. Security Clearance Aspect

The earthquake and tsunami disasters have led to the loss of a large amount of equipment including arms, and at the same time have introduced logistic aid to Aceh. This creates a chance for logistic enforcement for the Aceh Armed Separatist Movement-Free Aceh Movement (*GSBA-GAM*) to consolidate their forces. In addition, many GAM prisoners will be set free and it is certain that some of them will return to Aceh. In connection with the predicted security and order conditions, the Central Civil Emergency Authority (*PDSP*) has issued an announcement to regulate the activities to be conducted during the civil emergency period.

In handling this issue, the regulations that are in force will be disseminated to the relevant parties who will conduct rehabilitation and reconstruction activities.

6.4.2. Contingency Fund to Expedite the Rehabilitation and Reconstruction Activities

The development of Aceh and Nias Islands in various sectors will be carried out intensively during the next five years. However, the implementation in particular during the initial phases is estimated to experience obstacles taking into consideration that the security and order conditions are still vulnerable. Under these conditions, it is estimated that the security and order institutions still will have a significant role.

To solve this matter, it is proposed that each rehabilitation and reconstruction program/activity prepare its formal security costs, the fund of which will further be allocated to the Department of Defense which will further secure the implementation of the rehabilitation and reconstruction program/activities.

6.4.3. Priority Activities during the Initial Phase of Rehabilitation

Developing togetherness and trust will very much depend on the success of the R3MAS program/activity during the initial phases. Therefore, the safeguarding of the said program/activity will become the major prerequisite.

For this purpose, it is necessary to identify the priority program/activity that will need security during the rehabilitation phase.

6.4.4. The development of Incentive Framework

The handling of post conflict victims including former GAM members needs to be undertaken intensively, comprehensively, proportionally and in fair manner. Thus far, the counseling of former GAM members through various incentives granted to them has created envy from the other Aceh communities who in fact have the spirit to maintain the Unitary State of the Republic of Indonesia.

In connection with this issue, a Policy Recommendation Formulating Team [TPRK] will be established with the purpose of finding the correct framework incentive formula for all parties in a fair manner. It is hoped that there will be support for the rehabilitation and reconstruction program/activity and experts will help formulate and carry out the said policy.

6.4.5. An Institutional Cooperation Mechanism between the Central and the Regional government

A synergic cooperation between the governmental institutions and the community at central and regional levels both vertically and horizontally needs to be strengthened by developing and strengthening a good cooperation mechanism. It will be necessary to distinctly distribute the competencies among the central government in particular, the army/police, the regional government, Executive Agency and the community.

6.4.6. Activity Implementation Methodology

The momentum of the earthquake and the tsunami can be utilized by certain interest groups including *GBSA-GAM* to consolidate their forces which is predicted to be able to aggravate the security and order conditions in the community.

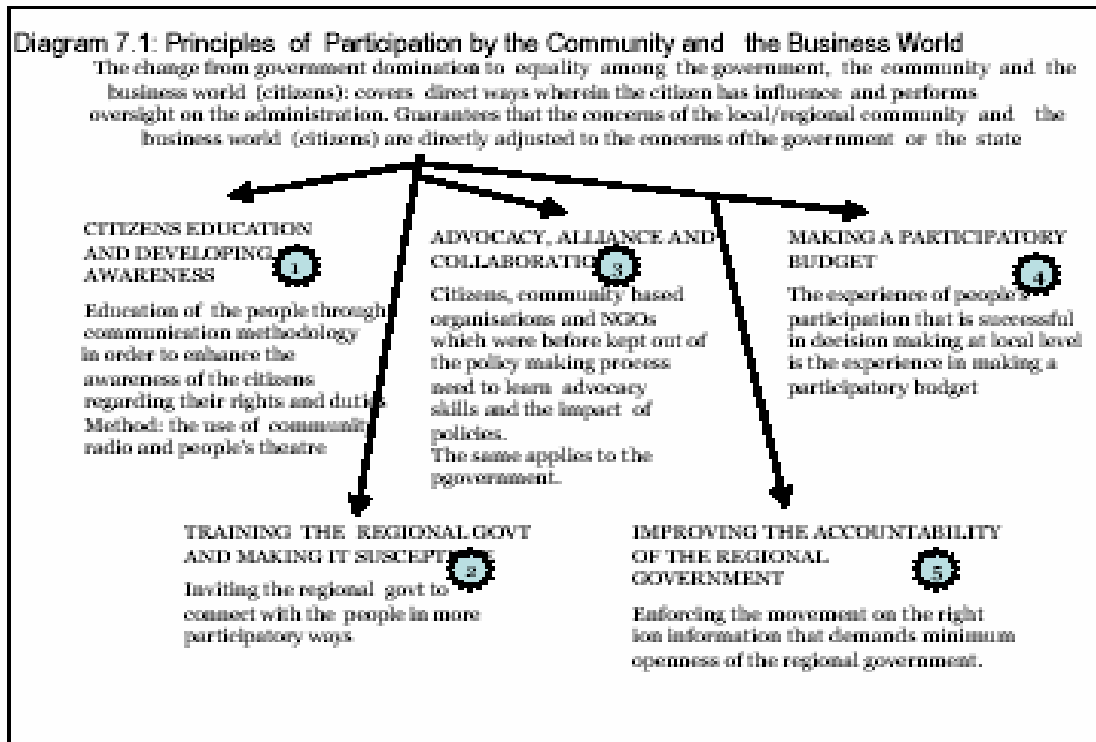
Chapter 7

Public and Private Sector Participation

7.1 Public Participation

The natural disaster befalling Aceh and Nias Islands has incurred huge losses, both in human lives and properties. In general, survivors of the natural disaster are living in the evacuation areas, namely in the vicinity of their previous homes or in other regions. This condition implies the breaking up of the existing social structure, order and other bonds. This situation has posed certain challenges for various parties in planning participatory rehabilitation and reconstruction of Aceh and Nias Islands. The survivors of the natural disaster should not be treated merely as a source of data and information for planning rehabilitation and reconstruction. , Rather than that, they must also be involved as the main actors of development activities.

In general, the involvement of communities as the main development actors still remains limited to the discourse level or it has been merely a concept on paper, although the government has issued various laws and their implementing regulations. The realization of the participatory approach in the entire development process is still facing institutional limitations, namely limited decision-making facilities and infrastructure involving all development actors and the limited capacity of the development actors themselves. The realization of the participatory approach in the entire development process must be started immediately by strengthening existing government and public institutions, in accordance with their respective levels of readiness. The strengthening of government institutions in the context of participation by the public sector, the private sector and the general public in development is interpreted as enhanced understanding, sensitivity and ability of the government apparatus and institutions in cooperating with the community. The strengthening of the private sector and the community in the same context is interpreted as enhanced knowledge, skill and access to information and bargaining position of this group in cooperating with the government. Once this condition is realized, the participatory process prioritizing equality among development actors can commence (see Diagram 1).



7.1.1 Principle and Definition

Participation is a condition wherein an individual or a group of people jointly participate in an activity, develop activity measures and establish or strengthen local institutions. Participation is a right, and not a tool to achieve the objective of a development activity. The essence of participation is the involvement of all community elements in the decision-making process starting from the planning and implementation phases up to monitoring and evaluation phases. In the context of the rehabilitation and reconstruction of Aceh and Nias Islands, the definition of participation must be materialized in a cooperation model and framework wherein the respective governments (central and regional) join hands with the community in reconstructing Aceh and Nias Islands.

The principle purpose of synergic cooperation between the government and the community (development actors) is to achieve greater development results by joint cooperation as compared to the results achieved by individual efforts of each development actor.

Referred to as the government are the central and the regional governments with their subordinates at *kabupaten/kota, kecamatan, desa* and *kelurahan levels*.

Referred to as community is a group of people domiciled in a region within a certain administrative territory. In the development context, specifically in the context of the rehabilitation and reconstruction of Aceh and Nias, community means a group of people (and or social institutions) located outside the administration sector, which in general can be divided into the following categories:

1. Institutions related to the private sector, such as those represented by *Kadinda*, REI, Association of Hotel and Restaurant Entrepreneurs, INKINDO et cetera. These groups are generally known as the private sector.
2. Other institutions consisting of several community elements such as universities, professional associations (Teachers' Association, IDI, IAI, Fishermen's Association, *Panglima Laot*/ Farmer's Groups, Trade Business Groups, Craftsmen Groups, Cultural Observers' Group, Artists' Group, Workers' Union, several types of non-government organizations, social and customary institutions (*keuchik*, community head, the Aceh *Adat* Community, the Aceh *Adat* Council, Assembly of Islamic Clerics) and the mass media.

Based on the above categories, the general understanding in the community regarding the categories of development actors includes the government, the community and the private sector. It is in this context that the Aceh and Nias rehabilitation and reconstruction policy is to be formulated.

7.1.2 Policy

Participatory activities of all development actors – the government, the private sector and the community – need not be adjusted to the various stages of the development process, bearing in mind the diversity of background and abilities of each community component in each region. Based on the above consideration, the following are several participatory policy measures of the community and private sector for the rehabilitation and reconstruction of Aceh and Nias Islands:

1. The government acts not only as one of the development actors, but must also act as the facilitator of development activities. Facilitation means activity undertaken by the facilitator (the government or community members) together with the community (all parties) concerned for identifying development problems, potentials and constraints and formulating several problem solving alternatives, selecting such several alternatives and setting problem solving priorities and determining implementation strategy.
2. If the regional government (at all administrative levels) is not yet capable of carrying out the said facilitation function, outside parties such as universities, NGOs or other parties may assist the regional government in understanding the principles and implementation strategy of a participatory development activity.
3. At the community level, in particular in areas where the government is not yet capable of carrying out the facilitation function as mentioned above, non-government organizations/academic institutions or community members concerned about development (volunteers) may help the general public and perform the facilitation function.
4. Community strengthening in every *desa* and *kelurahan* must be carried out through an organization guided by the principle of reconstructing the customary/local institutional structure (see Sub-Chapter 8.4). Under conditions where the community institutional structure at the lowest level is no longer available, the re-establishment of the customary/local institutional structure will be necessary.

5. In every *desa/kelurahan, kecamatan, kota/kabupaten* and province, it will be necessary to form a development council (DC) consisting of elements representing the regional government, the private sector and the community, in order to create a participatory development tradition, climate and framework. The Development Council is a generic name, which in its implementation can take the form of an already existing customary/community institution insofar as the said institute discusses development issues affecting the livelihood of the general public.
6. The Development Council acts as an institute that accommodates the aspirations of the top three categories of development actors, determining development plans and implementation mechanism as well as monitoring and evaluating the same. Thus, a Development Council also functions as an institution receiving and disseminating development information.
7. At the higher governmental administration levels (such as *kecamatan/kabupaten/kota*), it will be necessary to establish a horizontal DC (for example between *desa/kecamatan*) and vertical DC (for example between the *desa* and *kecamatan* level) which is to function as a communication and cross-actor decision-making institution on a much larger scale.
8. The involvement of a DC in the development process starts with initial development activity measures, namely planning (identification of issues, potentials, threats and opportunities), the preparation of an implementation mechanism, all the way through monitoring and evaluation. The government needs to ensure that the DC is involved in every decision making process concerning the various types of activities mentioned above, and that it is legalized in a regulation (*qanun*) by the Regional People's Legislative Assembly.

7.1.3 Implementation Mechanism

The implementation of community and private sector participatory policy can be generally described as follows:

1. Development activities can be categorized based on the scale and level of complexity of its implementation, based on the level of need at the provincial, *kabupaten/kota, kecamatan* and *desa/kelurahan* levels. The government and the private sector is to play a greater role in the implementation of large- and medium-scale activities in general. As for small-scale activities, the community's role will be more dominant here. However the decision making process in the entire series of activities– in particular on a large-scale –must still allow for community involvement, particularly by communities in the region where such particular activities are conducted.
2. At the *desa/kelurahan* level, the reconstruction of customary/community institutions is to be undertaken by way of various social mapping, the objective of which is to identify existing community members and community institutions (such as *keuchik, meunasah* chief, *mukim* chief, the *gampung* structure et cetera). As soon as the community – as citizens' unit in a certain area – is re-

- established, the local customary community institution can immediately start functioning. At the time that this happens, several development activities may be conducted, for example starting with the re-administration of identity cards and other activities that guarantee civil rights of community members, including collecting data on land and other property, as well as general development activities such as *desa* spatial planning, the construction of houses, environmental infrastructure and physical facilities, local economy et cetera.
3. The establishment of a DC at the *desa* level is to be the starting and major point. Members of DC will be elected by the community concerned, rather than by appointment, serving for a certain jointly determined period of time
 4. The DC at the *kecamatan* level or a higher administrative level must be formed on the basis of readiness of the various elements at the *desa* level to establish and operate such an institution.
 5. A DC at each level is autonomous in nature and is not subordinated to the DC at a higher administrative level.
 6. A DC may function based on sectoral development activities (especially in fisheries, agriculture, housing et cetera). The following is a description of the formation of a DC:
 - a. At the *desa/keurahan* level, a DC is to be jointly established with the community, consisting of representatives of the government at the lowest level and representatives of the community concerned (a representative community institution such as the *Ulema mukim* council/ *mukim* apparatus) and the private sector. The DC is to be facilitated by a facilitator and community members concerned with development (volunteers). Until the DC becomes fully functional, a facilitator is to serve as its driving force. The so formed DC can cooperate with existing NGOs to commence and or expand development activities planned in the *desa/keurahan* concerned. Development plans determined by a DC are to be performed by the *desa/keurahan* community members based on a jointly approved implementation mechanism. After a DC at the *desa* level is formed and becomes fully functional, steps can be taken for the formation of a DC at the *kecamatan* level.
 - b. At the *kecamatan* level, the DC is to comprise representatives of the *desa/keurahan* level DC, representatives of the *kecamatan* government, of the private sector, universities, non-government organizations and volunteers. The scope of development substance discussion generally includes inter-*desa/keurahan* development activities.
 - c. At the *kota/kabupaten* level, a DC comprises representatives of the *kecamatan* DC, representatives of the *kota/kabupaten* government, universities, non-government organizations and community members concerned with the relevant development issue. The scope of development substance discussion generally includes inter-*kecamatan* development activities.

- d. At the provincial level, the DC comprises a DC of the *kota* and *kabupaten* level and universities/non-government organizations, the business world, government representatives, community members concerned with the relevant development issue, as well as a representative of the Rehabilitation and Reconstruction for the Region and People of the Provinces of NAD and Nias Islands, North Sumatra Implementing Agency [BAPEL].
7. Development planning includes physical planning and budgeting. In order to avoid an excessive planning proposal screening process at a certain administrative level as a consequence of limited funds, the Regional People's Legislative Assembly and the government at a higher level must be able to create a transparent and effective communication process.
8. In order to support the implementation of the participatory development process as described above, it is necessary to have a policy and a mechanism in place for the allocation of development resources that are to become the autonomous authority of each *desa*, *kecamatan*, *kota/kabupaten* and province. As an example, minimum *desa* development needs will be met through a direct block grant to the relevant *desa* based on the development plan determined by the DC in the said *desa*. The amount of this fund should be sufficient to meet investment needs for development activities carried out on the *desa* scale. If the minimum investment fund is not adequate to meet such needs, an additional activity proposal must be submitted to a higher level to obtain additional sources of financing. This applies also to the *kecamatan* level and so forth.

7.1.4 Institutional Model and Aceh Community Participation

One of the efforts to reconstruct the Aceh community is through the **policy of empowering the existing religious, customary and other social institutions in Aceh**. This policy is to be implemented through **the strategy of empowering and optimizing the existing *mukim* and *gampong* institutions**. The reason for focusing empowerment and optimization of functions on the two institutions mentioned above is that the *mukim* and *gampong* institutions possess a more dominant community empowerment and people's independence potential (by virtue of Law No.18/2001).

Grass-root level social institutions in the Aceh community needing revitalizing are the *Mukim* and the *Meusanah*. In the Aceh culture, these two institutions serve as sources of social energy, internal resources possessing a mechanism and capacity to solve their own problems. This is possible because these institutions are closer to the community's daily real life. Although the existence of these two institutions is currently recognized, their existence is gradually diminishing due to the disaster.

1. The *Mukim* Institutional Model

Mukim is a term for a customary law community unit, which has certain boundaries, customary apparatus and symbols, ownership titles and control on certain resources and infrastructure, possessing a locally specific social order. *Mukim* consists of the combination of several ***Gampongs*** that has certain regional boundaries and assets. *Mukim* is directly under the supervision of the *kecamatan/Sagoe Cut*.

There used to be five major elements in the administration structural hierarchy during the Aceh Kingdom, namely: Sultan, Sagoe Commander, Uleebalang, Imeum Mukim and Keuchiek. One of the reasons for establishing mukim was the need for economies of scale and several administrative requirements in conducting certain activities. At that time, the territory of *mukim* was the area within a radius of a mosque's orientational reach for Friday prayers. The population of a *mukim* ranges between 200 – 300 people.

A mukim is led by the ***Imeum Mukim*** whose status has gone through the following metamorphosis:

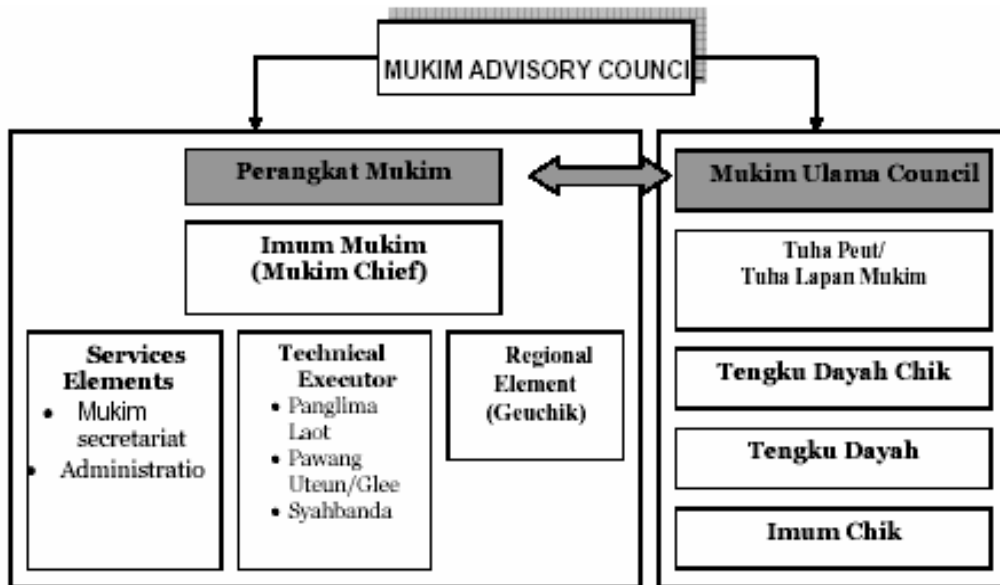
1. The term *imam* comes from his role as the leader of the Friday prayers.
2. In the course of its development, the role of ***Imeum Mukim*** grew in a formal government system to reach the position between an *Uleebalang* and a *Keuchiek* (*desa* head).
3. Furthermore, the *Imeum Mukim* became more specialized in **government administration**, under another term namely ***Imeum Adat***. Whereas the Friday prayer leader is called the *Imeum Mesjid* or *Teungku Imeum*.

The institutional elements, such as *Mukim*, found in the Aceh community are as follows:

1. ***Tuha Peut* or *Tuha Lapan***: a person who is most knowledgeable and experienced in the fields of **customs, religion**, and *desa* life and who is eligible to be appointed as an official in certain fields.
2. ***Keujreun***: an official regulating **food crops and irrigation (*Keujreun Blang*)** and **mining regulator (*Keujreun Meuih*)**.
3. The ***Panglima Kawon***: a head/leader of an **extended family**.
4. The ***Panglima Lhok/Laot***: an official who coordinates the livelihood activities at **sea**.
5. ***Petua Seunebok***: an official who regulates the **agricultural field system** and the opening of new fields.
6. The ***Pawang Glee***: an official who regulates the **utilization of forest areas** and acts as the keeper of forest ecology.
7. The ***Raja Kuala***: an official who regulates the **mooring of boats** and trawls at estuaries.
8. The ***Haria Peukan***: an official who manages markets/collects **market fees**.

As a social institution, the *mukim* can be developed gradually, namely by making it more organized and developing it to become more independent. To carry out the above, the most important thing is to empower the *Imeum Mukim* to: (a) strengthen the mukim function as a community unit; (b) to restructure *mukim* complementary institutions and make their role and function become effective, such as the Mukim Consultative Council and the Mukim Customary Meeting; (c) to manage the assets and income of the *mukim* in the interest of the community concerned.

Diagram 7.2: Mukim Institutional Structure



Government, custom and religious institutions at the *mukim* level consist of the following:

- The **Mukim Advisory Council** (MAC), the highest institution in the *mukim* territory. The MAC possesses the position, tasks and function of a *mukim* advisor.
- The **Mukim Ulema Council** (MUC) comprising the *Imeum Chik*, the *Tengku Dayah*, the *Tengku Dayah Chik*, *Tuha Peut/Tuha Lapan Mukim*. The Mukim Ulema Council is a consultative body of the *Imeum Mukim* in the field of **administration, implementation of the *shariah* and *customs and traditions***.
- The ***Tuha Peut/Tuha Lapan Mukim*** is an independent institution with the task to oversee *mukim* administration. The *Tuha Peut/Tuha Lapan Mukim* constitutes the *Mukim Legislative Council*, however its members are not elected in a general election.
- The ***Perangkat Mukim*** (Mukim Apparatus): the *mukim* administration consists of the *Imeum Mukim* and *Perangkat Mukim*. The *Perangkat Mukim* consists of service elements (*mukim* secretariat and administration), technical implementation elements (*panglima laot*, *pawang uteun/glee*, *syahbanda*), and regional elements (*geuchik*).

2. The Institutional Model of *Gampong* and *Meunasah*

The *Gampong* is a legal community unit that constitutes the lowest administration organization under the direct supervision of the *mukim* and is headed by the *Keuchik*.

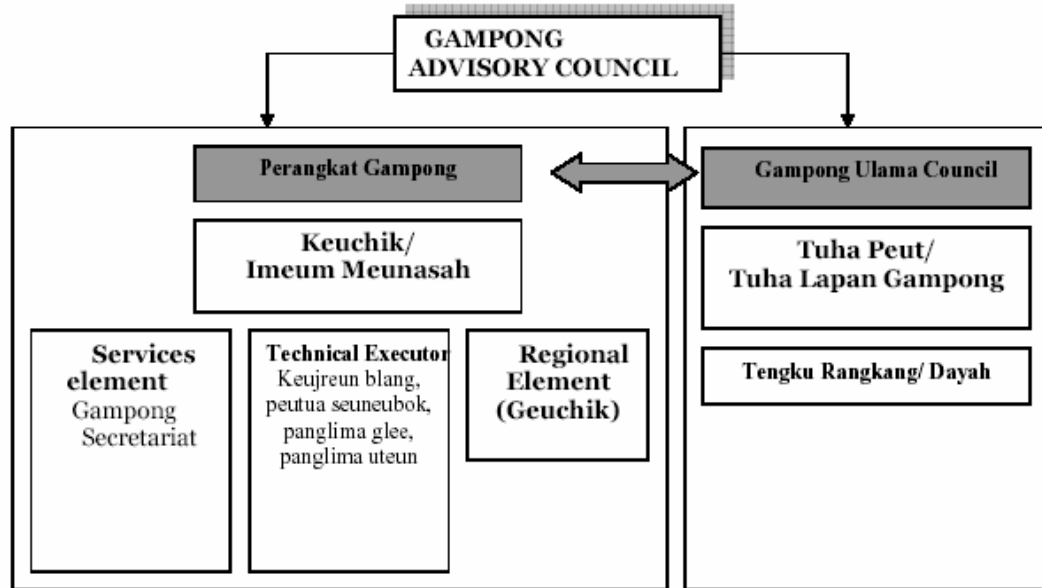
The government, customary and religious institutions at the *Gampong* level consist of the following:

- (1) The *Gampong* Advisory Council
- (2) The *Geuchik*

- (3) The *Imeum Meunasah*
- (4) The *Tuha Peut/Tuha Lapan Gampong*
- (5) The *Teungku Rangkang/Dayah*
- (6) The *Gampong Secretariat*
- (7) The *Keujreun Blang/ Peutua Seuneubok/Panglima Glee/ Panglima Uteun/ Panglima Laot/ Panglima Lhok.*

Each *desa* has one or more Mosques (Meunasah) that functions as a place of worship, communication and information center, consultation hall, the place for settling disputes, and center for other activities.

Diagram 3 - Institutional Structure of the *Gampong*



7.2 Private Sector Participation

Private sector participation is an important component in the reconstruction of Nanggroe Aceh Darussalam and Nias Islands in the aftermath of the earthquake and tsunami disaster. In addition to the government's limited resources and capacities, this could bring positive added value because it allows for responsibility sharing by involving the private sector, providing relief for disaster victims. Montgomery (1988) states that it is the duty of the government to stimulate the participation of and the activities of community groups in the context of developing a self-reliant community.

Development cannot be carried out properly if we rely solely on the government's strength, and better results can be achieved with the support and participation of the people.

7.2.1. Principles and Definitions

Private sector participation in this case means all forms of community and/or non-government organization involvement aimed at providing aid, whether in the form of money, goods or services that are related to the rehabilitation and reconstruction of NAD and Nias Islands in the aftermath of the earthquake and tsunami disaster. People's participation can be in the form of individual participation organized by a group, including profit and non-profit oriented groups.

The above-mentioned institutions which from the government's point of view are referred to as private sector groups can be in the form of community self-supporting institutions, social institutions such as foundations, associations, religious and social-political agencies, and business entities, both domestic and international.

It is in fact expected that the activities managed by these private institutions will be able to spur development activities in the NAD and Nias Islands region that was totally devastated in the aftermath of the earthquake and tsunami disaster in 2004. This needs to be managed properly in order to ensure that a harmonious development takes place, planned by the government and reflecting the aspirations of the entire population.

There are several principles that must be observed in managing private sector participation in the reconstruction of NAD and Nias Islands in the aftermath of the earthquake and tsunami disaster, such as:

1. **Pro-private sector participation policies**
There has been a tendency to regard bureaucracy as obstructing community participation in development; therefore, break-through policies are needed to ensure that community members feel they can freely and easily participate in the development process.
2. **Benefits**
Community participation must be able to benefit the people of Aceh and Nias Islands, and the Government must make sure to avoid any negative consequences of such participation.
3. **Neutrality and openness**
The government must ensure that the opportunity for such participation is open to all people from all walks of life and community groups, and must also be able to accommodate the aspirations of all stakeholders.
4. **Transparency**
The pattern and the form of private sector participation should be designed in such a way as to be able to involve the general public in monitoring every stage of development, with the aim of providing feedback for its enhanced implementation.
5. **Accountability**

7.2.2 Policies

At the present, many parties, both individuals and groups, are very much interested to participate in reconstructing Aceh and Nias Islands. For this purpose, we need a pattern that will provide greater opportunities to the private sector to conduct development activities in NAD and Nias Islands. The government needs to counterbalance this by formulating a policy and a clear framework to provide foothold and benchmark for Aceh and Nias Islands development. In view of spatial planning, for instance, determining which parts can or cannot be developed. This information must be made available as soon as possible so that the private sector intending to participate will not feel pressured.

Policies that are needed in regulating private sector participation include, among other things:

1. Develop an e-Aceh.org and policy matrix to access information.
2. Disseminate information and provide full access to information about development plans in the NAD and Nias Islands region, both short-term as well as long-term.
3. Provide procedural facilities. These can be in the form of licensing facilities, special treatment in the procurement of goods and services, or others.

4. Provide incentives and disincentives to stimulate participation by the private sector, such as discounting/ import duty exemptions, or tax discounts.

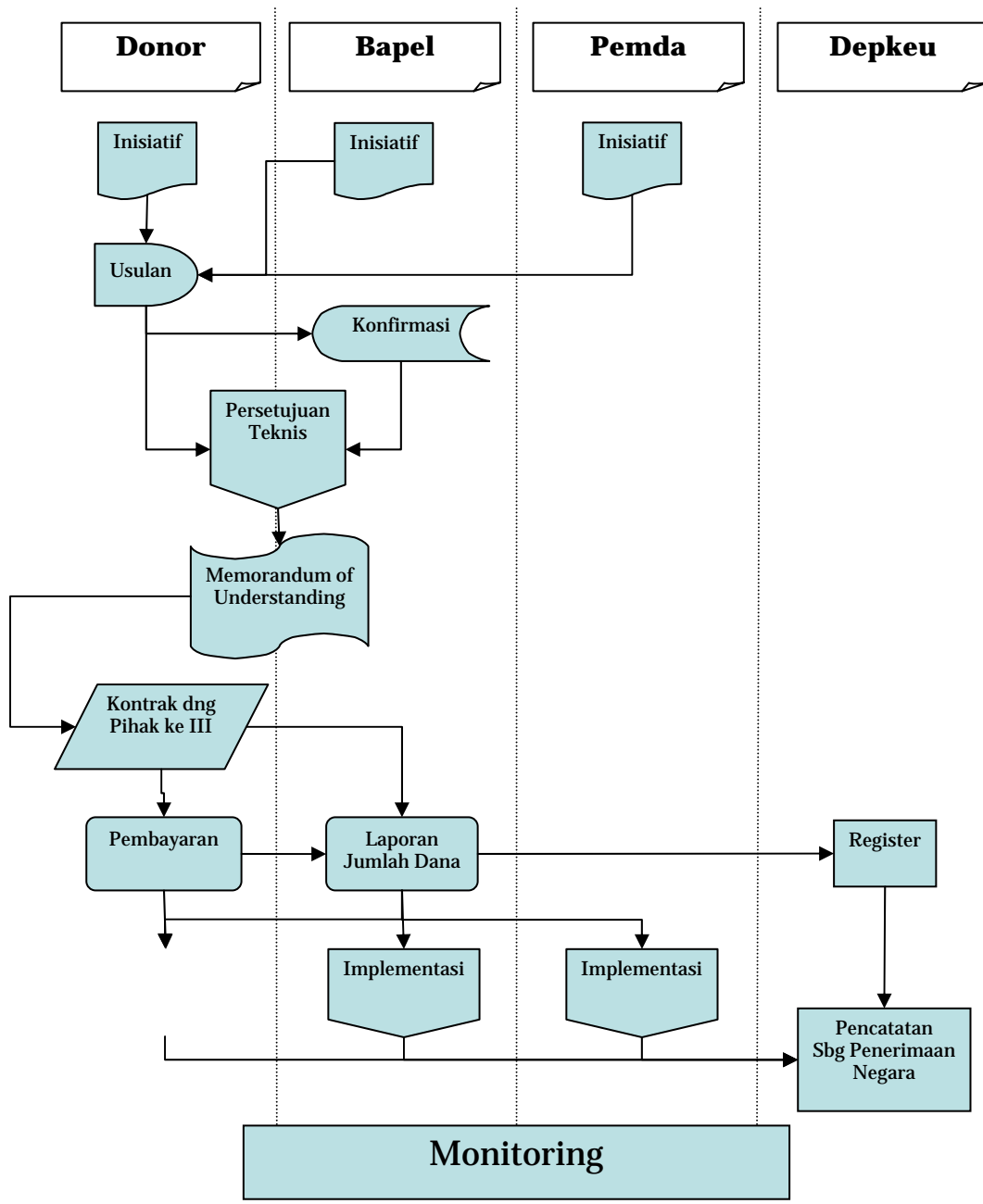
7.2.3 Implementation Mechanism

To maintain a harmonious participation of all private sector actors, a mechanism that regulates the administration and coordination among the relevant parties is to be established. We need an organization that plays a strategic role in managing private sector participation in the reconstruction of NAD and Nias Islands in the aftermath of the earthquake and tsunami disaster. Such institution, the Implementing Agency (*Bapel*), has the authority to issue the necessary policies.

Private sector participation is to be coordinated by *Bapel*. This institution is to coordinate all elements involved, with the Central Government, the Regional Government as well as the private sector intending to participate in developing Aceh and Nias Islands. Private sector actors initiating any form of development in Aceh and Nias Islands need to look at and adjust to the master plan maintained by *Bapel* and they also need to take into account the wishes of the people of Aceh and Nias themselves, as well as input from the Regional Government. This is essential in order to avoid overlapping in the form and location of activities conducted by other parties and the non-achievement of aid benefit due to the lack of a proper and well-designed plan.

Private aid procedure is to be formulated in as simple manner as possible without ignoring the principle of accountability in aid management. Diagram 4 below indicates the implementation mechanism of private sector participation starting from the initiatives coming from the private sector. These initiatives are then coordinated by *Bapel* and the Regional Government in order to look at inter-relationship between such private sector initiatives and the master plan and the aspirations of the people. Following coordination, *Bapel* is to confirm and issue a technical approval for such initiative. This technical approval is to be further passed on to draw up a Memorandum of Understanding to be signed by the Private Sector actor concerned and *Bapel*. Such memorandum can be used as reference by the private sector actor concerned to enter into a contract with a third party, and *Bapel* can report the amount of funds to the Department of Finance to be recorded in the register. In the implementation phase, *Bapel*, the Regional Government and the private sector are to jointly conduct activities. Upon the completion of the implementation, the Department of Finance is to record this as state revenues. All related parties, including the Department of Finance, are to conduct monitoring.

**Diagram 4:
Private Aid Procedure In NAD and Nias Islands Reconstruction**



Chapter 8

Funding

The results of the initial study conducted by Bappenas together with the World Bank showed that the estimation of losses and damage (loss and damage assessment) caused by the earthquake and the tsunami reached approximately Rp.41.40 trillion consisting of damage in various sectors totaling Rp.27.19 trillion and losses of Rp.14.21 trillion. These total losses and damage are almost equivalent to five times the Regional Budget of the NAD province and all *kabupaten/kota*.

It was roughly estimated that initial activities and rescue efforts at the emergency response stage, which were extremely difficult to be conducted due to the scarcity of various resources, required not less than approximately Rp.5.1 trillion. At this stage, aid came from various parties, namely local communities and donors, as well as community groups, foundations, NGOs, business entities from almost throughout Indonesia, both in the form of funds as well as physical manpower assistance. Aid also came in the form of creative endeavors of aid coordination. Actual support was also conducted by the apparatus of the Indonesian Armed Force and Police who used all their strengths and capacities in the rescue and cleaning up efforts as well as to overcome the emergency condition.

Actual contributions were also made by various international institutions, such as in the form aircraft carriers and several helicopters owned by the American government along with hundreds of its soldiers. Military apparatus from Australia, Great Britain, France and other European countries were also present. There were a large amount of aid from friendly countries, and almost all fellow ASEAN countries almost all provided aid during this stage. Community groups in the form of both international Non-government Organizations (NGO) and specific humanitarian groups, the number of which reached more than 300 organizations/institutions, were also involved and provided assistance at this emergency response stage.

Hundreds of thousands of people died and missing will never be replaced, however, efforts to realize a better community and environment must become the agenda for the rehabilitation and reconstruction of Aceh and Nias, North Sumatra. The reconstruction of the NAD province and Nias includes the reconciliation of previous disputes to realize a community that is more prosperous, safe and free from any fear.

At the rehabilitation and reconstruction stage, funding needs are likely to be much greater compared to those at the emergency response stage. In the rehabilitation and reconstruction, the largest amount of fund will be utilized for the construction of facilities and infrastructure, development of the social sector, development of productive sectors(economy) as well as other sectors.

As we know, considering the significant casualties claimed by the earthquake and tsunami, the reconstruction of new facilities and infrastructure should definitely take into account present conditions, namely the number of existing population, the preference of the population, the quality of services (education, health, basic services and other social services) to be established as well as the aspects of the prevention and mitigation of similar disasters in the future. Therefore, the estimation of funding required in the reconstruction will probably differ from the estimated losses and damage.

8.1. Funding Needs

The estimated funding needs for the rehabilitation and reconstruction of Aceh and Nias are collected in two ways. First, the estimated funding needs from data gathered by Departments/institutions concerned are collected by involving the related agencies in the regions affected by the disaster. Second, the estimated funding needs for the reconstruction from Bappenas are based on the new spatial layout planning, the quality of new services to be created as well as new facilities and infrastructure to support them.

By comparing the above mentioned 2 (two) calculation approaches, it is expected that there will be a cross checking in the setting of priorities with respect to activities, determination of the sequence of activities and the integration of activities between sectors. Eventually, the type of activities and total fund required for each budget year for the next 5 (five) years (from year 2005 up to and including year 2009) can be determined.

Additionally, based on the data on estimated funding needs, evaluations are conducted based on the following principles:

- 1) The government is only to reconstruct infrastructure and public service facilities (public goods) such as: roads, bridges, ports, schools, state hospitals, community health centers, clean water, electricity and others;
- 2) The reconstruction of damaged public goods facilities and infrastructure is only to be conducted in areas affected by the disaster;
- 3) Compensation for private property is to be determined specifically and the contribution from the government is not to be substantial, for instance compensation for totally destroyed homes amounts to Rp.28 million/family and for homes that require rehabilitation to Rp.10 million/family;
- 4) Compensation for earning assets such as house cum shop, workshops and others: Rp.2 million for individuals, or Rp.15 million/group which will be on a rolling basis; assistance in the form of facilitated access to the banking system;
- 5) The funding procedure and mechanism must prioritize the aspects of transparency, efficiency, high effectiveness and accountability.

Based on the need assessment conducted by Bappenas, prior to the earthquake befalling Nias Islands and Simeulue Island on March 28, 2005, fund of Rp.41.7 trillion will be required to finance the rehabilitation and reconstruction.

With regard to the earthquake disaster occurring on March 28, 2005 befalling *Kabupaten* Nias, *Kabupaten* Nias Selatan and *Kabupaten* Simeulue, an adjustment has been made to the amount of funding needs and therefore, it is estimated that an additional fund of Rp.3,171.6 billion will be required. In addition, there is also a need for additional fund for Cross-Sector needs, namely Order and Security Restoration component amounting to Rp.2,194.9 billion and funds for the Aceh and Nias Communities Productive Facilities Recovery Assistance component in the amount of Rp.1,638.0 billion that is not accommodated in the main book and detailed book before.

Therefore, the amount of funds for the rehabilitation and reconstruction of Aceh and Nias, North Sumatra following the adjustment made as a result of the earthquake on March 28, 2005 totals Rp.48,767.8 billion the per sector and per component details of which can be seen in Table 8.1.

Based on the proposal of the Ministry/Institution, funding needs for the rehabilitation and reconstruction are Rp.58.3 trillion, with the following specifications, namely Rp.5.1 trillion for year 2005, Rp.14.7 trillion for year 2006 and Rp. 30.7 trillion for the subsequent three years (see Table 8.2).

Table 8.1.
Estimated Funding Needs for the Rehabilitation and Reconstruction
(in billions of Rupiah)

Sector	Damage and Loss Assessment			Estimated Funding Need
	Private	Public	Total	
Social Sector	300.0	2,508.0	2,808.0	14,564.0
Education	84.0	1,110.0	1,194.0	8,295.7
Health	216.0	622.0	838.0	2,095.1
Religious & Cultural Affairs		776.0	776.0	4,173.1
Infrastructure and Housing	16,129.0	5,216.0	21,345.0	26,593.6
Housing	13,098.0	94.0	13,192.0	5,384.9
Transportation	1,542.0	3,442.0	4,984.0	10,848.8
Telecommunications	80.0	123.0	203.0	386.6
Energy	10.0	622.0	632.0	4,386.9
Drinking Water and Sanitation	170.0	106.0	276.0	3,270.0
Water Resources Infrastructure	1,229.0	829.0	2,058.0	1,913.8
Other Infrastructure			-	402.6
Production Sector	10,207.0	418.0	10,625.0	1,499.2
Agriculture and Food	1,490.0	230.0	1,720.0	492.1
Fishery	4,729.0	23.0	4,752.0	870.9
Industry and Trade	3,988.0	165.0	4,153.0	41.1
Manpower				17.0
SME and Cooperatives				73.3
Tourism				4.8
Cross Sector	130.0	6,309.0	6,439.0	6,111.0
Environment		5,105.0	5,105.0	1,315.0
Administration/Government		829.0	829.0	680.0
Law		375.0	375.0	283.0
Security Order				2,195.0
Production Facility Assistance				1,638.0
Banking	130.0		130.0	
TOTAL	26,766.0	14,451.0	41,217.0	48,767.8

*Source: World Bank

Table 8.2
Recapitulation of Proposed Funds for the Rehabilitation and Reconstruction
Submitted by Ministries/Institutions Concerned

(in trillion Rupiah)

Proposal	2005	2006	2007-2009	Total
Emergency Response	5.1	-	-	5.1
Rehabilitation/ Reconstruction	7.8	14.7	30.7	52.2
Total	12.9	14.7	30.7	58.3

The estimated losses and damage assessment are comprehensively calculated, including public facilities and infrastructure as well as private property. The total funding need does not yet include the needs proposed by the regional governments and the communities concerned, which should also be taken into consideration.

A re-assessment needs to be conducted on funding needs for the reconstruction proposed by departments/institutions during the rehabilitation and reconstruction stages for the next five years, among other things, by taking the following into consideration:

- (1) there is still overlapping among departments/ institutions;
- (2) capability of absorption;
- (3) scale of priorities; and
- (4) based on availability of funds.

8.2. Sources of Funding

Considering the sustainable funding needs for the rehabilitation and reconstruction compared to the state's limited financial capacity, the policy is to efficiently utilize all potential funding sources available, which in general consist of funds from the State Budget, Regional Budgets, grants and funds from the community.

8.2.1. Funds from the State Budget (APBN)

As a form of the government's responsibility in handling this national disaster, the government needs to allocate funds specifically used for the rehabilitation and reconstruction of the NAD province and Nias. The potential funding sources available in the State Budget consist of the following:

- (1) pure Rupiah funds;
- (2) foreign grants both in bilateral as well as multilateral nature;
- (3) reallocation or reprogramming of offshore loan funds in progress for the NAD province and Nias;
- (4) new offshore loans (if necessary); and
- (5) deferred payment of interest and principal offshore loans as a result of the moratorium from the Paris Club.

Pure Rupiah funds, in the 2005 State Budget, pure Rupiah funds that can be used to support the rehabilitation and reconstruction, among other things, originate from

general reserve funds amounting to Rp.2 trillion, funds from the proceeds of moratorium (Paris Club) amounting to Rp.3.9 trillion. Additionally, there are also funds from Departments/Institutions within the NAD province and Nias in the form of de-concentration funds, assistance duties as well as central institution funds the authorization of which is not decentralized, such as the religious sector, the judicial sector and the financial sector. For the needs of the fiscal year of 2006 and the subsequent years, funds needed for the rehabilitation and reconstruction are to be directly included in the draft State Budget.

Foreign Grants, consist of grants originating from donor countries and agencies joined in the *Consultative Group on Indonesia (CGI)* that have conveyed their intention and pledge to provide aid of approximately Rp.15.7 trillion consisting of the following:

1. Bilateral donor Rp.8.0 trillion;
2. Multilateral donor Rp.7.7 trillion

Based on its distribution, such total funds is to be distributed on-budget in the State Budget in the amount of Rp.9.1 trillion and the remaining Rp.6.6 trillion is to be distributed off-budget. Presently, the grant from the Asian Development Bank (ADB) that can be realized amounts to US\$300 million.

The amount of such grant is to increase after donor countries and international institutions conduct need assessment. The grant providers are also to provide grants following the completion of the Master Plan for the Rehabilitation and Reconstruction for the Region and People of the Provinces of NAD and Nias Islands, North Sumatra. Grants from the private sector/community originate from corporations, Non-Government Organizations (NGO), individuals and other sources. The estimated total grant originating from the private sector/community is Rp.13.50 trillion. Efforts to collect funds to help the tsunami victims have been made in various countries. Funds collected by the private sector are likely to increase through efforts of fund raising from the private sector/community, which is to be made in the Private Sector Summit on Post Tsunami Reconstruction Program in May 2005. Therefore, the government is to invite participation of the private sector and the community in the rehabilitation and reconstruction program to create and ensure the accountability, effectiveness and transparency of the distribution and use of funds.

Reallocation of offshore loan funds

The reallocation of offshore loans from the Islamic Development Bank, the World Bank and the Asian Development Bank (ADB) for projects in progress is one of the funding sources for the rehabilitation and reconstruction. Such Reallocation is to be done without harming the development of other regions/provinces. Funds to be reallocated are unallocated funds and funds from loans remaining unused. Loan funds available for the reallocation as per 15 March 2005 were Rp.2.49 trillion.

New Offshore Loans

Given such large funding needs and the limited availability of funds from grants and state funds, offshore loans mainly very soft loans could become another source of funding for the rehabilitation and reconstruction. Several very soft loans have already been mutually agreed upon, among other things, from the Australian Government amounting to A\$500 million with the repayment period of 40 years, a grace period of 10 years and 0% interest.

Moratorium is another source of financing for the rehabilitation and reconstruction for the fiscal year of 2005. The *Paris Club* in its meeting on 9 March 2005 resolved to provide a debt moratorium to countries hit by the tsunami disaster until December 31, 2005. Indonesia acquired a moratorium amounting Rp.3.9 trillion. The payment of debts, which mature this year, is to be postponed for 5 years with a grace period of 1 year. With such moratorium, the Indonesian Government in the fiscal year of 2005 hence possesses the capacity to supply funds for the rehabilitation and reconstruction. Nevertheless, such moratorium is a postponement of liability. The government should consider the burden to the budget when such postponement matures.

The Indonesian government has stated its agreement to accept such moratorium offer. Upon the acceptance of such moratorium, the Indonesian government is to lose a portion of grants from several donor countries as a trade off for the moratorium facility. For instance, the Indonesian government is to lose grants from the USA amounting to Rp.270 billion.

8.2.2. Non-State Budget

Among various sources of funding, there are several sources of funding that originate from the community, donor institutions and the business community, which are intended to support the funding for the rehabilitation and reconstruction of Aceh and Nias through direct implementation of certain activities without going through the State Budget (off-budget).

Although the funding of the rehabilitation and reconstruction applies the on-budget principle, however direct donations from the community, donor institutions and the business community need to be facilitated. For this purpose, the procedures currently used in the Partnership Program, which is managed by the UNDP, could be used as a model.

8.3. Funding Management Mechanism

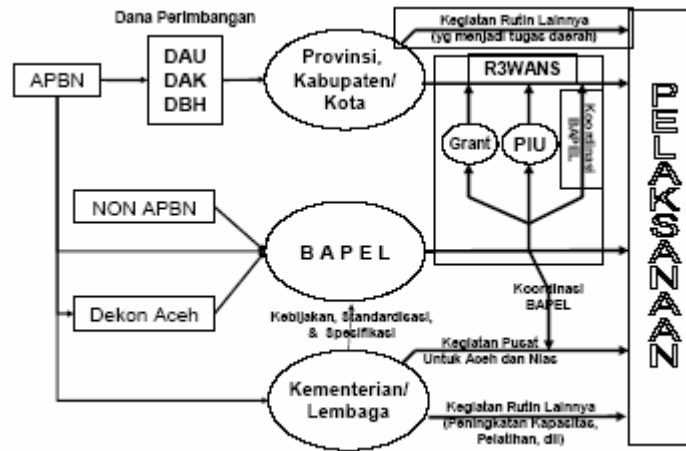
Basically, the mechanism and procedure for funding in the context of the rehabilitation and reconstruction of Aceh and Nias follow the standard funding procedure as set forth in Law Number 17 Year 2003 concerning State Finance and Law Number 1 Year 2004 concerning State Treasury and their implementing regulations.

The funding that will utilize the State Budget, both pure Rupiah funds as well as loans, is conducted through a standard mechanism in accordance with regulations stipulated by the Ministry of Finance. Nevertheless, for uninterrupted implementation of the rehabilitation and reconstruction, acceleration measures may be taken, among other things: the acceleration of the finalization of budgetary document administration, the acceleration of payment through the Special State Treasury Services Office (KPPN) that provide services with respect to the rehabilitation and reconstruction of Aceh and Nias. Such KPPN is also to implement foreign exchange payment function.

The established Implementing Agency (Bapel) constitutes a work unit and is a budget user that has its own budgetary documents (DIPA). Considering that such DIPA in the context of the Rehabilitation and Reconstruction is with the Implementing Agency

(Bapel), goods and service procurement and the signing of contracts are conducted by Bapel. Bapel is authorized to carry out projects in various main and flagship sectors and all cross-sectoral projects.

R2WANS FUNDING FLOW



Translation:

Dana Perimbangan

Kegiatan rutin lainnya yang menjadi tugas daerah

APBN

Non APBN

Provinsi, *Kabupaten/ Kota*

BAPEL

Dekon Aceh

Kementerian/Lembaga

Pelaksanaan

Kegiatan Pusat

Weighted Funds

Other routine activities that are the obligations of the regions

State Budget

Off-Budget

Province, *Kabupaten/ Kota*

Implementing Agency

De-concentrated funds of Aceh

Ministry/Institution

Implementation

Central Government's activities for Aceh and Nias

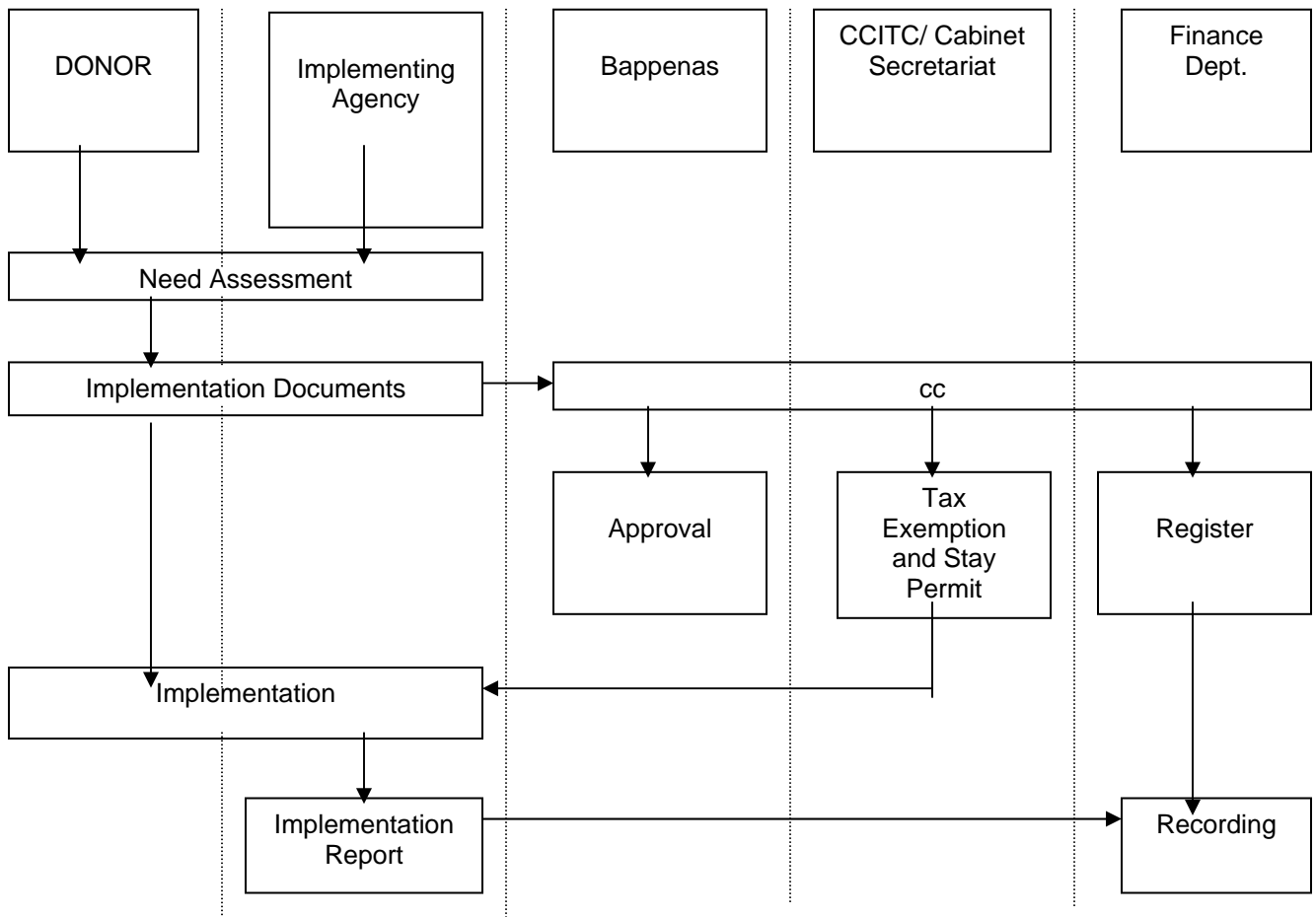
The General Allocation Funds, Special Allocation and Profit Sharing Funds within the Regional Budget are to be directly utilized by the Provincial government of NAD and Nias Islands and the respective *Kabupaten/ Kota* Governments. Such funds are to be utilized by the respective regional governments, however, for certain activities that are similar to the work conducted by the Implementing Agency, coordinating measures with Bapel need to be taken.

For the distribution of grant funds, in the context of the rehabilitation and reconstruction of the NAD province and Nias, the Indonesian Government has an agreement with *donors/lenders* to cut down the procedure and accelerate the process, thereby grant funds can be immediately utilized.

After conducting a need assessment based on the Master Plan under the coordination of Bappenas, the donors are to prepare agreement documents such as: Grant Agreement or Memorandum of Understanding, Exchange of Notes and the like.

Based on such agreement documentation, project activities can be immediately conducted. Such agreement documents should be registered with the Ministry of Finance, and the copies be forwarded to Bappenas and the Cabinet Secretariat. Each Agency is to issue an agreement in accordance with its authorization and in line with the implementation in the field. Specifically for imported goods, tax exemption should be obtained from the Ministry of Finance based on the recommendation from the State Secretariat.

Flowchart of Mechanism for Foreign Grants



The flow of project/program preparation, approval and implementation is as follows:

- (1) Project/program proposal is to be prepared by the Indonesian Government;
- (2) The Steering Committee is to evaluate the proposed project/program and grant approval;
- (3) The Trustee is to conduct an appraisal;

Grant Agreement between the Trustee and the Indonesian Government.

The accommodation of grants from the private sector/community must be in accordance with letter of the Minister of Finance No.S-24/MK.06/2005 dated January 18, 2005. The Minister of Finance has opened 4 (four) accounts with Bank Indonesia to accommodate grants from abroad and from the domestic community in the Rupiah currency (Account No.510.000.272), US Dollar (Account No.602.074.411), Japanese Yen (Account No.602.075.111) and Euro (Account No.602.076.991). Domestic and foreign private donors intending to provide grants can make direct deposit to the above-mentioned accounts.

However, if they do not want to deposit their funds, the private sector/community can carry out the work themselves provided that activities/projects to be conducted should first be consulted with and approved by the Implementing Agency to ascertain that such

activities are in accordance with the Master Plan for the rehabilitation and reconstruction of the NAD province and Nias Islands.

8.4. Procurement of Goods and Services

Principally, the mechanism and procedure for the procurement of goods/services in the Aceh and Nias-North Sumatra rehabilitation and reconstruction activities should comply with Presidential Decree Number 80 year 2003 regarding the Guidelines for the Procurement of Goods and Services for Government Agencies.

Several amendments need to be made to Presidential Decree No. 80 Year 2003, specifically with respect to the implementation of activities in the NAD province and Nias Islands, in order to provide freedom for the budget users and their proxies to accelerate the implementation of their activities and to provide several facilities and flexibility, with due observance of the principles of efficiency, transparency, fair competition and accountability.

Several amendments and adjustments required include the provision of broader authority to make adjustments to activity contract packages in accordance with the condition in the field. Additionally, broader authority is also given for matters with set limitations. Amendment to provisions is also made to enhance monitoring and supervisory roles in order to reduce the potential risk of deviation in conducting activities.

Principally, the procurement of goods/services for each activity package should be conducted by budget users or institutions holding budgetary documents. The determination of institutions as budget users (holder of budgetary documents) is to be immediately conducted in accordance with the authority set by the applicable laws and regulations.

Procurements that are in accordance with the authority are to give opportunities to local providers of goods/services to participate in the competition for the implementation of works. The involvement of local providers of goods/services is considered to create comparative superiority, among other things, field recognition, the engagement of local manpower and resources and other local cultures. In spite of this, if it is considered that the procurement of goods/services would be impossible to be conducted in the areas affected by the disaster, the Minister/Chairpersons of Institutions or Chairperson of the Implementing Agency as Budget Users can determine other locations for goods/services procurement.

In addition to the simplification of several procedures and the cutting down of time, uniformed goods/services procurement documents for various funding sources, both international or domestic sources, are currently in progress. . In the preparation of such uniformed documents, coordination has been made with several lenders/donors, among other things: the World Bank, the Asian Development Bank and JBIC.

Based on the consideration above, specifically for the procurement of goods/services in NAD and Nias Islands, it is proposed that a new Presidential Regulation concerning the Guidelines for the Procurement of Goods/Services for Post-Earthquake-and-Tsunami Relief in the NAD and Nias Islands be drawn up to conduct the rehabilitation and

reconstruction activities. . However, it needs to be noted that the aforementioned new regulation outside Presidential Decree Number 80 Year 2003 is only valid in the regions of the NAD and Nias Islands affected by the disaster. Furthermore, such regulation is only effective for 5 (five) years.

Chapter 9

Application of Good Governance Principles and Supervision of the Implementation

To ensure the successful achievement of the goals/targets of the Rehabilitation and Reconstruction for the Region and People of the Provinces of Nanggroe Aceh Darussalam (NAD) and Nias Islands-North Sumatra and to prevent corruption practices and other violations, good governance principles must be applied in the implementation of the rehabilitation and reconstruction of NAD and Nias Islands. The strategic steps that need to be taken include preventive and repressive actions against corruption and other forms of power abuse.

The preventive action is in the form of the application of 4 (four) main principles of good governance, namely transparency, participation, accountability and law enforcement and in line with other good governance principles namely trustworthy, justice assurance, agreement-oriented, responsive, effective and efficient. Whereas repressive action is in the form of supervision of the implementation of the master plan. This guideline only regulates supervision by the Government Internal Supervisory Apparatus (APIP) which includes the Internal Supervisory Unit at the Implementing Agency of the Rehabilitation and Reconstruction and to propel supervision by the public and the *stakeholders*. Whereas the supervision/audit by the Supreme Audit Agency (BPK), Anti Corruption Committee (KPK), DPR and Provincial and Local-Level DPRD on the implementation of this master plan shall be carried out in accordance with the prevailing statutory regulations.

9.1. The Application of Good Governance Principles

The overall implementation of the rehabilitation and reconstruction of NAD and Nias Islands by the Implementing Agency or other agencies/institutions under the coordination of the Implementing Agency must apply good governance principles, and therefore, a good management system needs to be formulated that will promote the establishment of transparency and public participation, accountability, compliance, as well as other principles of the implementation of the rehabilitation and reconstruction programs. In more details, the main elements of good governance in the implementation

of the rehabilitation and reconstruction of NAD and Nias Islands-North Sumatra are as follows:

9.1.1 Application of the Accountability Principle

Accountability is the obligation to take responsibility for the management and control of resources and the implementation of policies including the success and failure in achieving the designated goals and targets through the accountability media in the form of periodic implementation reports (performance accountability).

The supporting elements of accountability include: 1) *Determination of clear Goals and Targets*, for both short and medium terms. If it is considered necessary, the rehabilitation and reconstruction Implementing Agency may formulate clear vision and mission, as references in the formulation of the goals and targets for the rehabilitation and reconstruction of NAD and Nias Islands-North Sumatra. 2) *solid Institutional Structure* to promote the establishment of an efficient and effective management system in order to achieve the designated goals and targets. 3) *Setting of Policy* that is clear, focused and consistent with the purposes of the organization made in writing and transparent. 4) *Planning* that is realistic, detailed and in accordance with the needs, transparent and participatory, accommodative to the local people's social culture, and constitutes the description of the targets and goals pre-determined by the Implementing Agency. 5) *Determination of Work Procedure* that is precise and clear, easy to implement, easy to understand and transparent, and observant to the relevant statutory regulations. 6) *Human resources* that are competent, professional, and with morality. 7) *Implementation of Activities* that are effective and, administratively in order, transparent, whether in the procurement of goods and services, financial management, stock inventory management, supplies management, or the management of aid goods. 8) *Recording system* that is clear, accurate, and simple. 9) *Internal Supervisory Unit* that is independent but accountable directly to the Implementing Agency.

The implementation report (performance accountability) of the rehabilitation and reconstruction shall refer to the principles of objectiveness, transparency, high level of accuracy, as well as reliable professionalism.

9.1.2 Application of Transparency and Participatory Principles

The objective of the application of the *transparency principle* is that the data/information on the activities of the rehabilitation and reconstruction of NAD and Nias Islands-North Sumatra including the formulation of policies and the implementation of the organizational work is accessible to the public. Transparency shall generate trust among the government, Implementing Agency (including among its internal units), the people and other *stakeholders*. The objective of *Participatory principle* is that the public can participate actively and constructively in the adoption of decisions regarding the rehabilitation and reconstruction of NAD and Nias Islands-North Sumatra, whether directly or through an institution representing their interest.

Such participation shall be developed based on the freedom to associate in conveying opinions for the successful achievement of the goals/targets of the rehabilitation and reconstruction of NAD and Nias Islands-North Sumatra. Three main factors that would

promote and facilitate the transparency and participation as abovementioned are: 1) the availability of accurate, comprehensive and up to date data/information; 2) easy access to such data/information; and 3) the uniformity of data/information delivered.

Information and activities that need to be transparent include the management of the funds that cover the system, the amount and source of the funds, as well as the distribution thereof; the organization and personnel include the structure, duties, personnel, and management system; planning includes short and medium term plans; implementation include progress report and obstacles encountered; procurement of goods and services includes the integrated information, the implementation thereof; and the distribution of humanitarian aids includes the amount and value of funds available, criteria and number of recipients, source and form of aids, as well as the mechanism of the accountability.

In the context of transparency and participation in the implementation of the rehabilitation and reconstruction of NAD and Nias Islands-North Sumatra, an interactive media and a clear mechanism for such purpose is required. Various media that are considered effective and efficient, among others, are *Website* (internet) on the rehabilitation and reconstruction of NAD and Nias Islands-North Sumatra that is designed in an integrated manner for all programs, post office box for complaints, toll free lines, and open discussions/meetings with the public chaired by the Supervisory Board and Implementing Agency. A team or unit needs to be established to manage and analyze the complaints, critics and suggestions received from the public. The team will evaluate the feasibility of the information for further follow-up. Responses, answers or follow-ups will be conducted within 5 (five) working days and be uploaded in the *website*. The implementation of this mechanism requires sufficient mediums and human resources in the field of information technology. Whereas for the supervision carried out in form of meeting forums, the Implementing Agency shall provide objective responses and answers and if required, the answers/responses can be submitted in writing.

9.1.3 The Application of Law Enforcement Principle

In the event of a corruption or misappropriation in the implementation of rehabilitation and reconstruction of NAD and Nias Islands-North Sumatra, remedial actions, administrative actions and/or criminal sanctions need to be carried out immediately. In order to ensure the application of the above principle, follow-up to the recommendation resulting from the supervision/audit needs to be carried-out transparently and consistently in accordance with the prevailing laws and regulations. The Implementing Agency shall receive complaints and inputs from all components of the community regarding the application/implementation and the performance of the program/activity, whether those carried-out by the Implementing Agency or by other parties under its coordination (units, ministries/non-ministerial agencies, NGO, private parties). The Implementing Agency has the authorization to follow up various complaints through legal means.

9.1.4 Reporting on the Implementation of Rehabilitation and Reconstruction

The Implementing Agency prepares and delivers the report (performance accountability) on implementation of the rehabilitation and reconstruction for the region and people of the provinces of Nanggroe Aceh Darussalam (NAD) and Nias Islands-North Sumatra. The Implementing Agency must prepare Quarterly and Annual Reports to be submitted to the President, Governor of NAD and or Governor of North Sumatra, Supervisory Board, and Steering Committee, and the Minister and other related Institutions. The aforementioned reports must be prepared in a certain hierarchy starting from the person in charge/implementing unit, unit head up to the level of the Head of the Implementing Agency.

The report on the implementation (performance accountability) of the rehabilitation and reconstruction of NAD and Nias Islands-North Sumatra refers to the following principles:

1. Consistent and depicting the application of the principles of appropriate management (*good governance*) and *auditable*.
2. Objective, comprehensive, informative and accurate.
3. Supported by sufficient, relevant, competent and material evidence.
4. Indicating the levels of achievement of the performance or the goals/targets that have been determined, to include the success and/or failure level in the achievement of the goals/targets so-determined.

Whereas the substance of the report shall at least cover:

1. The level of progress/achievement of performance on the designated targets/goals.
2. Financial realization/accountability.
3. The management of inventory goods/supplies/aids.
4. The obstacles/problems encountered and the handling/ resolution thereof.
5. The complaints made by the people and other *stakeholders* and the follow-ups thereof.

9.2 Supervision of the Implementation

The supervision over the Implementing Agency is aimed at enhancing the performance, providing independent information on the performance, and directing the management in correcting the problems/obstacles in the achievement of the performance. The Implementing Agency must be able to fully participate for the effective and efficient supervision. The Government Internal Supervisory Apparatus (APIP), the community, and other institutions are partners of the Implementing Agency in achieving the designated goals/targets.

9.2.1 Supervisory Agency

Aceh and North Sumatra Rehabilitation and reconstruction programs are inter-sectoral programs the locations of which are spread throughout several *kabupaten*. Whereas

APIP includes various agencies/institutions/parties authorized to supervise the implementation, namely: the Development and Financial Supervisory Agency (BPKP), Inspectorate General of Ministries or Inspectorate of Non-ministerial government agencies, Regional Supervisory Agency at Provincial and *Kabupaten* Levels (Bawasda), Bawasda at *Kabupaten* Level, Supervisory Unit at the National Police (Polri), the Supervisory Unit at the Indonesian Military (TNI), and the Internal Supervisory Unit.

Institutions, agencies and other parties, which may directly or indirectly supervise the implementation of the rehabilitation and reconstruction programs in NAD and Nias Islands-North Sumatra areas, among others are, other elements of the Regional Government (at provincial and local levels) other than Bawasda, Supervisory Agency, the Regional Civil Emergency Authority (in NAD), Integrated Operation Supervisory Team (TPOT), supervision by the community, NGO, mass media, which are not members of the Supervisory Board, and public accountant firm at the particular request of the donors or other interested parties.

The Supreme Audit Agency (BPK), Anti-graft Commission (KPK), House of Representatives (DPR) and the Regional House of Representatives (DPRD) of at Provincial and Local Levels carry out the supervision/audit on the implementation of the rehabilitation and reconstruction of NAD and Nias Islands-North Sumatra in accordance with the prevailing laws and regulations. Therefore, such matters cannot be provided for in this guideline.

9.2.2 Coordination of Supervision

Considering the large number of APIP having the potential to supervise the implementation of the rehabilitation and reconstruction program of NAD and Nias Islands-North Sumatra Areas, it is expected that there be a supervision coordination system, so as to avoid overlapping audits. For such purpose, periodic meetings must be convened among the APIPs through coordinating forums both at the stage of supervision planning, implementation, reporting as well as the follow-up to the results of such supervision. With such coordination forum, it is expected that a compilation of the results of supervision by APIP and other institutions be compiled. For the efficient and effective coordination forum, a mutually agreed upon coordinator may be appointed.

9.2.3 Participation and Partnership in Supervision

The supervision/audit would be considered completed when all audit recommendations have been followed up by the related units/parties under the coordination of the Implementing Agency. The supervision/audit may be in the form of *current audit (ex-ante)* or *post audit (post-ante)*. In order to support the smooth implementation of the audit and the follow-ups thereof, all aspects of the Implementing Agency ought to know and actively participate in each stage/process of the supervision activity which consists of audit implementation, follow-up implementation, the monitoring and evaluation on the implementation of the follow-ups, as well as the follow-ups to violations of regulations and procedures.

Supervision by the general public and other institutions is generally not structured like the supervision carried out by APIP. Participation and partnership by the Implementing

Agency is given in the form of response that takes the form of a follow-up that has been or will be performed through interactive media.

In case of any violations of the regulations/procedures of the interest for the achievement of performance of the program/activity and the same does not incur any loss to any party, due to its inconsistency with the condition and being almost impossible to be carried out, it thus needs to be followed-up with an examination/review of such regulation/procedure. To perform such examination/review, a Committee or the like needs to be established.

At the level of NAD Province the members are nominated by the Governor from the elements of the Regional Government of NAD, Regional House of Representatives (DPRD), NGO (LSM) engaged in the anti-corruption sector, religious institutions, academic/professional institutions (for example Indonesia's Accountant Association), the private sector and other relevant parties.

9.3 Sanctions

Violations of the procedures and the provisions as herein-described and or the misuse of authorization in the implementation of the rehabilitation and reconstruction of Aceh and Nias Islands-North Sumatra which result in losses to the state and the failure to achieve the targets and goals that have been determined, may be penalized with sanctions in accordance with the prevailing laws and regulations.

9.4 Periodic Review

This guideline is subject to revisions in accordance with the needs and developments in the field insofar as it aims at ensuring the security of the achievement of the targets and goals of the rehabilitation and reconstruction program for NAD and Nias Islands-North Sumatra. Such revision shall also include the formulation of work procedures and formats required in accordance with the needs.

It is expected that the application of the principles of *good governance* in the implementation of the rehabilitation and reconstruction of NAD and Nias Islands-North Sumatra will not only be for the successful rehabilitation and reconstruction program/activity on NAD and Nias Islands-North Sumatra, but also shall be able to propel or provide contribution to the application of the principles or values of *good governance* in overcoming natural disasters in other areas as well; and the application of the principles of *good governance* in the Provincial Government, in NAD and North Sumatra in particular, regencies and Municipalities in Aceh and North Sumatra and the governmental environment in general.

Chapter 10

Institutions

For quick reconstruction of Nanggroe Aceh Darussalam (NAD) and Nias Islands, North Sumatra, which were affected by the earthquake and tsunami, it is necessary to apply an expeditious, systematic, directed, integrated and comprehensive special approach by involving stakeholders, and by taking into account the aspirations and the priority of needs of the communities concerned.

In order to implement the NAD and Nias Islands-North Sumatra rehabilitation and reconstruction process in an effective and efficient manner, it is necessary to establish a rehabilitation and reconstruction agency with comprehensive, centralized, coordinated duties, authority and responsibilities to plan, implement, control and evaluate such process based on the principle of good, effective, transparent and accountable governance. In conducting rehabilitation and reconstruction activities, the aforementioned Agency is to refer to the stipulated Master Plan, translating it into operational and detailed details corresponding to local conditions and the priority of needs of the local communities concerned.

10.1 Institutional/Organizational Structure

The NAD and Nias Islands-North Sumatra Rehabilitation and Reconstruction Agency is formed under and is reporting directly to the President. Functionally, there are three organizational instruments within the structure of the rehabilitation and reconstruction agency, namely: (a) Advisory Board, (b) Supervisory Board, and (c) Implementing Agency.

10.1.1 Advisory Board

The Advisory Board is an organizational instrument within the structure of the rehabilitation and reconstruction agency having the advisory function of providing direction in the formulation, planning and implementation of the rehabilitation and reconstruction process. Members of the Advisory Board are the representatives of various stakeholders, such as the elements of the communities concerned, academicians/universities, government –both at the central and regional levels, and other elements supporting the advisory function. Members of the Advisory Board are responsible to ensure that the aspirations of various parties represented by them are used as a reference in the rehabilitation and reconstruction process. The Advisory Board reports on the performance of its duties to the President of the Republic of Indonesia.

10.1.2 Supervisory Board

The Supervisory Board is an organizational instrument within the structure of the rehabilitation and reconstruction agency with the supervisory function to, among other things, (i) supervise the implementation of the rehabilitation and reconstruction process;

(ii) receive and follow up on complaints filed by the communities concerned; (iii) audit the performance of the Implementing Agency's duties. The Supervisory Board can use the services of independent professional auditors or other experts in auditing and in supporting the performance of its duties. The aforementioned performance of duties is reported to the President periodically.

Members of the Supervisory Board comprise individuals with sufficient supervisory skills, consisting of national figures and independent Acehese opinion leaders. Moreover, it is possible for the representatives of donor countries/agencies to become members of the Supervisory Board. In order to guarantee and ensure transparency and accountability in rehabilitation and reconstruction, the results of the supervision will be made open to the public for access.

10.1.3 Implementing Agency

The Implementing Agency is an organizational instrument within the structure of the rehabilitation and reconstruction agency with an implementation function to, among other things: (i) formulate operational strategy and policy; (ii) prepare an action plan and conduct activities, (iii) conduct rehabilitation and reconstruction activities for certain projects based on agreements with other agencies/institutions; and (iv) ensure that the rehabilitation and reconstruction funds are utilized in a manner that highly regards integrity and is free from criminal acts of corruption.

For effective rehabilitation and reconstruction, with the aim of achieving the set targets, specifically those set forth in the master plan and detailed plans in the respective rehabilitation and reconstruction sectors, the organizational structure of the Implementing Agency may be expanded based on the needs and with the aim of optimizing performance in implementation.

In addition to the aforementioned duties, the Implementing Agency has the authority, among other things, to: (i) manage the rehabilitation and reconstruction of the areas and the life of Nanggroe Aceh Darussalam and Nias communities; (ii) manage available resources, both human and financial, for rehabilitation and reconstruction; (iii) establish cooperation with parties related to rehabilitation and reconstruction; and (iv) request assistance in the form of information and technical support in the performance of its duties from the Central and Regional Governments as well as other related parties, and (v) organize and coordinate rehabilitation and reconstruction implemented by the Central and Regional Governments as well as other related parties.

In performing its aforementioned duties and authorities, the Implementing Agency will be referring to the master plan and detailed plan of the rehabilitation and reconstruction of Aceh and Nias Islands-North Sumatra, prepared by the Central and Regional Governments concerned. Moreover, in the implementation of field activities, it is necessary to take into account input from parties at the regional, national and international levels, especially in addressing problems arising in the field. Given the special autonomy status of Nanggroe Aceh Darussalam, the provisions and general norms applicable in Nanggroe Aceh Darussalam must be taken into account in the rehabilitation and reconstruction process.

For expeditious, directed, integrated and comprehensive mobilization as well as the performance of duties in the rehabilitation and reconstruction, it is necessary to obtain the support of human resources possessing high capability, relevant competence and

high integrity as well as commitment to the Unitary State of the Republic of Indonesia. To achieve this, the Implementing Agency may recruit employees as needed. The employee recruitment process must be conducted professionally and objectively.

10.2 Good Governance

The rehabilitation and reconstruction of Aceh and Nias Islands-North Sumatra must be based on good governance principles, namely transparency, accountability, participatory, independence and the prioritization of the public interest, especially to make sure that the funding and implementation of rehabilitation and reconstruction activities are effective in accordance with the stipulated objectives and are accountable to the public. In the rehabilitation and reconstruction process, good governance principles are also applicable for all related parties.

10.3. Inter-Institutional Relationship

There is some concern that the rehabilitation and reconstruction for the region and people of NAD and Nias Islands-North Sumatra may create inter-institutional relationship complexity, considering the scope of activities as well as the massive and expeditious mobilization of resources. Therefore, it is necessary to regulate inter-institutional relationships to ensure that the implementation process is well coordinated based on the scope of duties and authorities of the institutions/agencies concerned. The following several matters need to be regulated:

- (1) The rehabilitation and reconstruction of Aceh and Nias Islands-North Sumatra must be conducted through an intensive coordination with the Central and Regional Governments as well as related parties.
- (2) De-concentration activities by Technical Departments and Ministries related to rehabilitation and reconstruction activities and programs in post-disaster areas are to be coordinated with the implementing agency managing rehabilitation and reconstruction.
- (3) The Central and Regional Governments as well as other related parties are required to fully support the implementing agency that manages rehabilitation and reconstruction.

10.4. Funding

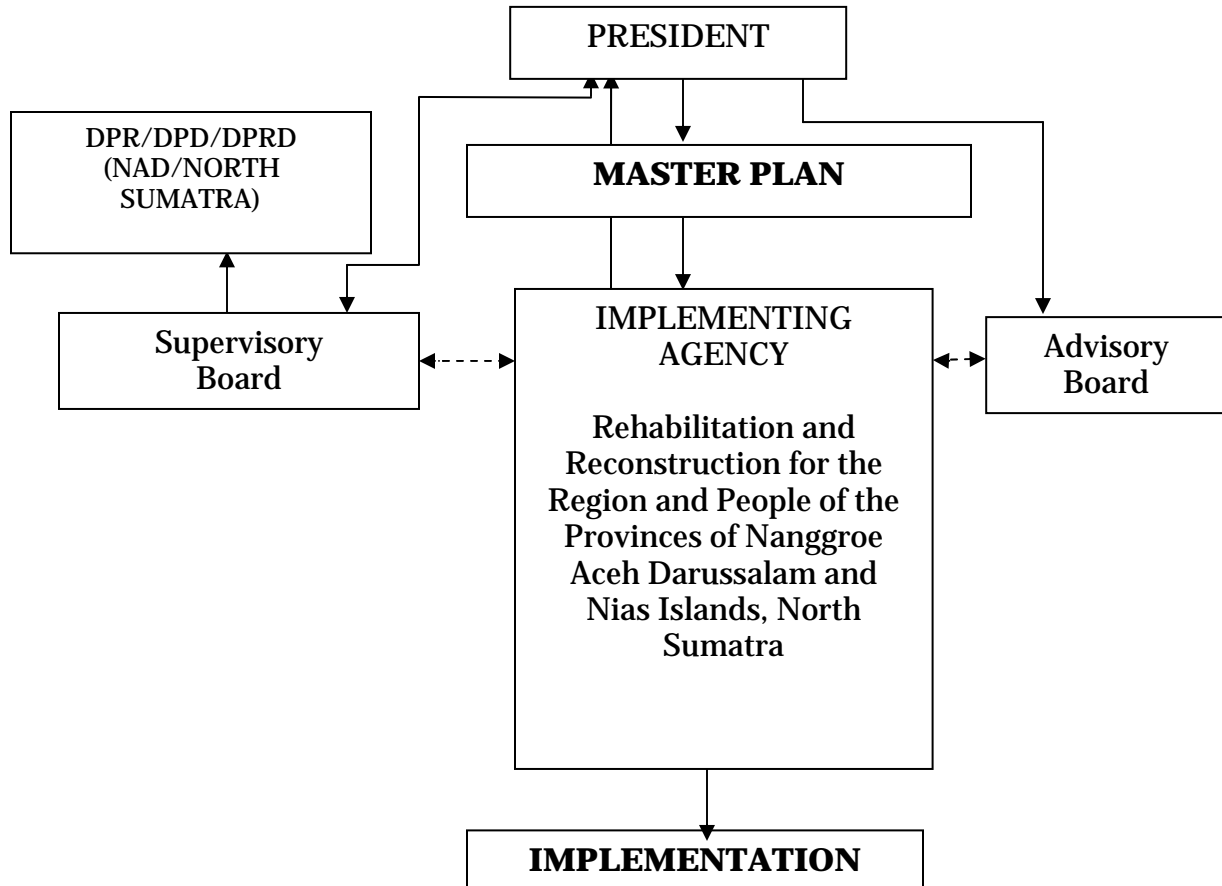
Funds required for the financing of rehabilitation and reconstruction originate from various sources, both domestic, such as special funds for rehabilitation and balancing funds, and foreign sources, such as foreign loans, grants and moratorium. Given the urgent nature of rehabilitation and reconstruction activities, the fund distribution process may apply a special procedure further stipulated in the Joint Decree of the Minister of Finance and the Chairperson of the Implementing Agency.

10.5 Accountability and Reporting

The rehabilitation and reconstruction agency is to submit accountability reports to the President by means of issuing various reports in the form of semi-annual, annual, and final reports as well as by making the accountability reports information available to the public. Such reports must at least contain an activity management report as well as a financial and budget management report.

The financial reports of the rehabilitation and reconstruction agency will be audited by independent auditors. The aforementioned Financial Reports and Activity Reports, including the audit reports thereof, will be accessible by the public.

**ORGANIZATIONAL STRUCTURE
 AGENCY FOR THE REHABILITATION AND RECONSTRUCTION OF THE
 REGION AND PEOPLE OF THE PROVINCES OF NANGGROE ACEH
 DARUSSALAM AND NIAS ISLANDS–NORTH SUMATRA**



Chapter 11

Conclusion

This Main Book of Master Plan has been prepared collaboratively and is supplemented with the Plan Books for each rehabilitation and reconstruction sector. The aforementioned sectoral plan books are attached to and constitute an inseparable part of this Main Book.

The implementation of the Master plan for the Rehabilitation and Reconstruction the Region and People of the Provinces of Nanggroe Aceh Darussalam (NAD) and Nias Islands, North Sumatra may face potential obstacles. Moreover, it will be necessary to manage the transitional period as from the ratification of this plan up to the effective performance of the duties and functions of the Implementing Agency.

Following the ratification of this master plan by the President of the Republic of Indonesia as guidelines for the government's policies in the Rehabilitation and Reconstruction of Aceh and Nias Islands, this book will be used as a manual and reference by the Implementing Agency (BAPEL) of the Rehabilitation and Reconstruction for the Region and People of the Provinces of Nanggroe Aceh Darussalam (NAD) and Nias Islands, North Sumatra, particularly the Executive Implementing Agency which will formulate the existing policy, strategy, and plans into an action plan and detailed activities, in conformity with the designated time frame.