
RI BULLETIN

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Contacts: James McNaughton and Larry Thompson
ri@refugeesinternational.org or 202.828.0110

Indonesia: Local Resources Available to Aid Tsunami Survivors in Aceh

The government of Indonesia needs to take measures that will promptly restore secure shelter and livelihood for the survivors of last December's tsunami. Now that the emergency relief measures have met immediate humanitarian needs in Aceh, the most pressing need is reconstructing homes for tsunami survivors.

According to the Indonesian government, an estimated 590,000 survivors are living in temporary shelters. Traveling up and down the coast during a recent visit to Aceh, Refugees International visited numerous camps where people are living in tents or, in a few cases, wooden barracks recently constructed by the government. Even more displaced people are living with host families, friends, or relatives. Government planners are now at work amplifying reconstruction plans but waiting for the planners could take years. There are steps which the government could take to alleviate this situation quickly utilizing local resources before it grows worse

Constructing the 100,000 plus houses and businesses needed by tsunami survivors will require large quantities of construction material, especially lumber and cement. Despite the critical need for construction lumber the government has ruled that the timber rich forests of Aceh are off limits to loggers. Some aid and government officials even propose that lumber from Scandinavia and North America should be shipped into Aceh for reconstruction. There are good reasons for caution in permitting logging. Indonesia's rich supply of tropical hardwood in neighboring Kalimantan has been severely depleted. Plywood mills in that region along with illegal logging for export to China (worth \$1.7 billion in the last two years) has caused severe deforestation and the government has rightly clamped down on all logging there.

A simpler and quicker solution would be for the government to authorize limited and carefully supervised logging of the plentiful timber throughout Aceh's mountainous hinterland. Selective logging and aggressive replanting would not only hasten the construction of habitat for those in the tent camps but would also provide some of them with useful employment. Given the international resources now available for Aceh, the government and aid donors should be able to undertake exploitation of Aceh's timber as a renewable resource in a way that benefits all the people of the province, especially tsunami survivors.

Another resource of possible value is the timber felled by the tsunami. At present, when land is reclaimed the trees killed or mowed down by the tsunami are either buried or burned. Some experts have proposed a particle board factory to make use of the down timber for construction. A simple, quickly-installed factory would cost about \$2 million according to one estimate.

Another shortage in Aceh is cement for housing and business reconstruction. Urgent demand has caused prices to rise from 20,000 to 38,000 rupiah per bag of cement since the disaster. A large cement plant at Llok Nga just south of the provincial capital was put out of action by the tsunami. The plant was built in 1983 with a low cost loan from the International Monetary Fund's development finance branch. Government officials told the RI team that the plant could probably be repaired but because it had been unprofitable in the past, the effort did not seem worthwhile. But demand is now high and likely to remain so for some years. Trucking cement over rough roads from plants in other provinces is taking place now but that inefficient supply system remains a major constraint. In such circumstances putting the plant and its employees back to work may now be a good idea. The current owners of the plant, the Lafarge Cement Company of France, have not yet decided what course of action they will pursue.

Other industries also bear a look to see if they can quickly be rebuilt. Ice is essential if fishermen are to maximize the value of their catch, but the tsunami swept away the large ice plant in the main town of Meulaboh and two smaller ones nearby. Fishing, along with agriculture, is the occupation of the majority of the people of Aceh. Government officials told RI that the businessmen who ran the plant wanted to rebuild but that commercial lending from local banks would not be possible because they lacked collateral property for the major loan that would be required. The government might be able to construct a new ice plant but it did not plan to do so because it had no personnel to operate it. A banker we spoke to in Jakarta acknowledged the difficulty any bank would have in lending to the businessmen but added that a guarantee either by the government or by a foreign donor would make such a loan possible.

Foreign assistance to help rebuild private sector industries should be considered a priority by donors. Rice mills and oil palm extraction plants are other industries also in need of aid for revival.

Therefore, Refugees International recommends that:

- The government of Indonesia, in close cooperation with aid donors, work to implement a loan guarantee program for the reconstruction of essential industries for Aceh recovery;
- Engineering teams promptly assess the feasibility of putting the Lhok Nga cement back into production;
- Forest protection regulations be redrawn to enable temporary and carefully managed logging of Aceh timber reserves for use in housing construction.

James McNaughton and Larry Thompson assessed the situation in Aceh in May.