

Aceh and Nias, Indonesia: Results Achieved using Community Reconstruction following the Tsunami-Disaster in December 2004

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- This case analyzes the reconstruction of the Indonesian provinces of Aceh and Nias following the devastating tsunami of December 2004 and subsequent earthquake in Nias in March 2005.
- The case focuses on community involvement in prioritization and sequencing of needs, planning and project implementation, and monitoring and evaluation of progress.
- Lessons can be drawn from the challenges of implementing Community Driven Development (CDD) programs in Aceh and Nias including the need to i) integrate priority-setting and monitoring into broader government programs and ii) improve reporting and tracking of outcomes.

Introduction:

On December 26, 2004, a Sumatran-Andaman earthquake triggered several massive tsunamis, devastating coastal communities in Indonesia, Sri Lanka, Thailand, India and the Maldives. One of the worst natural disasters in 100 years, the tsunami destroyed most of the existing infrastructure in Aceh and Nias, including houses, boats, schools, health clinics, power lines, roads and ports.

- **The disaster required large-scale community reconstruction.** Damage assessments of Aceh and Nias show that destruction amounted to approximately 100 percent of GDP, with 167,000 dead or missing and an estimated 500,000 displaced from their homes. Three months later, the Nias province was hit by a major earthquake, killing 900 people, displacing 13,500 families and impacting approximately ten percent of the North Sumatran province's economy. Aceh and Nias were poor prior to the disasters, and recovery was further complicated in Aceh by conflict. With such destruction

(approximately 6,400 villages in Aceh and Nias were affected), community prioritization of needs and self-sufficiency became critical.

- **Community institutional infrastructure was already in place with broad coverage.** Prior to the tsunami, donors and non-governmental organizations (NGOs) were contributing to several Community Driven Development¹ (CDD) programs. Therefore, an institutional infrastructure was already functioning, allowing for immediate mobilization for disaster relief and continued involvement in further reconstruction and rehabilitation activities thereafter. Two large-scale community projects had a network of well-trained community facilitators and professionals to help tsunami-affected communities plan their recovery responses: the Kecamatan Development Project (KDP) and the Urban Poverty Project (UPP). Rather than create new institutions and processes, these projects were scaled-up and expanded to respond to urgent recovery needs.
- **Reviews demonstrate that CDD is less costly and more efficient.** Service delivery through community development costs on average 56 percent less than the same services provided by ministry and government contracting. CDD is geared to small-scale, local infrastructure and household needs. It is also well suited in conflict areas (e.g., Aceh) in dispute resolution.

Application:

- **Communities assisted in preliminary damage assessment and in planning priority reconstruction programs.** Whereas already weak local government was further overwhelmed by

¹ The following definition of Community-Driven Development is taken from the World Bank's Africa Toolkit and the World Bank's ESSD website. CDD "is the process by which community groups assume control and authority over decisions and resources in development projects which affect their lives. This means reversing control and accountability from central authorities to community organizations in the initiation, planning, implementation, operation, maintenance and evaluation of development projects with agencies playing a supportive role. Community-driven development is most appropriately used for the provision of local goods, basic services and the management of natural resources."

the disaster's size, community leaders had the knowledge and capacity to immediately assist in information gathering and dissemination. The KDP and UPP facilitators and local villagers helped communities prepare maps showing the extent of damage in each village and plan priority rehabilitation programs.

- **Two years after the tsunami, CDD programs were also used for stock-taking.** CDD has helped to re-align overall reconstruction programming to focus on actual outcomes or results achieved and apply results information to learning and decision-making. To provide an accurate overview of the current status of village reconstruction throughout Aceh and Nias, KDP is currently undertaking both a social and an infrastructure assessment:

 - 1) ***Local facilitators gather data.*** Although limited in skills and training, local facilitators from KDP are used to gather data. They are ultimately more effective than external assessment enumerators because of their ability to involve relevant village resource persons, their sensitivity to local circumstances, and their knowledge of potential conflict triggers.
 - 2) ***Results assessments impact future government allocations.*** Information gathered by communities on actual outcomes will be used to influence overall national and provincial government reconstruction spending and allocations in various sectors from FY07 onwards.
 - 3) ***Data made available for broad usage.*** Assessment data will be made available to government agencies, donors, NGOs, researchers and others and will serve as a resource for development practitioners, academics and government officials, complementing existing databases at the village level.

- 4) *Two types of assessments planned.* i) a social assessment to provide a “snap shot” of each village; and ii) an infrastructure assessment.

Problem Solving:

▪ Lessons on Implementation Delivery Speed of Results and Quality of Results

- 1) *Focusing on long-term capacity-building versus ensuring delivery speed.* Studies show that bringing funds “on-budget”² and supporting their allocation through regular Ministry of Finance or Planning structures significantly strengthens capacity and sustainability of programs by implementing them through the budget process. Unfortunately, in this case, using “on budget” systems significantly delayed project disbursements - the government budget for reconstruction projects was only approved at the end of June 2005. Although usually considered “speedier,” however, some “off-budget” bilateral donors and NGOs experienced delays due to their own time-consuming procedures.
- 2) *Using existing projects versus implementing new projects.* Although use of “on-budget” processes may have resulted in a lengthier disbursement process for planned CDD projects, objectives were still achieved in a timely manner by building on existing projects rather than preparing and implementing new projects.
- 3) *Ensuring rapid reconstruction versus using lengthier community-driven priority-setting.* CDD projects are not a “quick fix,” but rather a long-term investment in an implementing agency’s time and human resources. In circumstances of great stress, when basic needs are the

² Donor funds channeled through the government budget are defined as “on-budget.” Funds channeled directly from donors to programs or projects are defined as “off-budget.”

priority, communities and vulnerable individuals lose enthusiasm for long-term participatory projects in favor of quick action or hand-outs. Some basic needs were met temporarily by the relief effort; however, use of CDD for other community requirements took more time.

- 4) ***Using CDD procurement methods versus government procurement and contracting.*** Although using a CDD participatory process may seem lengthy, evaluating reconstruction projects over their lifespan, from start to finish, has shown that CDD is arguably faster than other methods. Community-implemented projects can skip complicated procurement processes by using local or village-level labor and by applying “shopping” procedures over employing international procurement or national “bidding” processes. The use of simple procurement procedures has been crucial to ensuring speedy project delivery, and the CDD approach has proven to take less time than government contracts.
- 5) ***Ensuring speedy reconstruction versus gradual recovery using capacity building and employment generation.*** In Aceh and Nias, many villages emphasized capacity building and employment generation for local people and institutions rather than using outside labor to achieve infrastructure development. This required training local people in carpentry and other skills. Although slowing the pace of physical community reconstruction results, such a process not only benefited villagers through employment generation, but also ensured ownership of infrastructure, providing greater incentive among villagers to maintain those facilities.
- 6) ***Meeting community priorities versus selecting projects based on capacity to deliver quality results.*** Although successful in quickly mobilizing staff, many agencies in Aceh could have achieved quality results more

rapidly had they prioritized community requests according to their core strengths. The KDP supports an open menu, listing projects covering various sectors, and an NGO has the opportunity to select their community project based on the organization's strengths as opposed to choosing projects based on the preferences of the community.

▪ **Lessons on Using CDD for Disaster Reconstruction**

- 1) ***Employing community participation versus implementing community requests and/or managing their expectations.*** While the CDD program in Aceh and Nias has arguably the broadest participation of communities in any recovery effort following either a disaster or conflict, use of this method for broad small-scale reconstruction has its drawbacks. Consultation, although beneficial for “ownership” purposes, can also create expectations for receiving assistance in the future. After involving communities early in the consultation and priority-setting processes, further information dissemination on actual reconstruction plans is required, not only to manage expectations, but also for transparency purposes
- 2) ***Implementing community priority-setting versus applying centrally developed planning processes.*** Too often coordination exercises have been concentrated in Banda Aceh rather than in the communities. Although community-level data collection, analysis and dissemination for policy and programming often can be less than perfect, some data collection may have been more accurate had it been based on the community or sub-district. Overall data collection could be improved through continual feedback that involves consolidating community and central data and later disseminating it into the community.

- 3) ***Using CDD community prioritization and implementation versus employing broader government planning and implementation.*** There is insufficient coordination between CDD planning and priority-setting, known as “village visioning,” and the establishment of broader government priorities for reconstruction and rehabilitation. Discussions are underway to use KDP facilitators and CDD community prioritization methods for broader government planning. However, the transition from centrally planned, designed and managed projects to CDD and local government plans and management platforms will take time.
- 4) ***Accepting village-level monitoring and evaluation versus tracking and reporting on overall CDD investments across all communities.*** The KDP uses village-level monitoring by posting pertinent project implementation information (funds received, project costs, village level contributions, etc.). However, developing monitoring and evaluation systems to track all investments across such a large number of communities has proven difficult. Monitoring and evaluation is critical to improving results, and ensures on-going corrections, design simplifications and improvements.
- 5) ***Accepting private investments versus only allowing reconstruction of public assets.*** CDD Programs are intended to assist in the reconstruction and rehabilitation of public assets. Considering the magnitude of personal losses in the case of the tsunami, the use of CDD grants for the recapitalization of lost private and personal assets was accepted (in place of traditional insurance). CDD and community grants have been proven to be effective for recapitalization by targeting vulnerable groups; however, they have not been as well suited for micro-finance projects.

▪ **Lessons on Coordination, Monitoring and Evaluation and Reporting Processes**

- 1) *Focusing on strategic planning for targeted results versus solely employing simple information-sharing processes.* While coordination among the various agencies was adequate in the short-term, existing structures were not suitable for long-term reconstruction. Recovery coordination was little more than an information-sharing exercise, as opposed to a process involving overall strategic planning, apportionment of responsibility and sequencing of priority actions. No mechanisms or criteria were used to determine agency roles on specific issues and policy consultations. While avoiding duplication, such a process left critical problems and gaps unaddressed.

- 2) *Using labor-intensive approaches versus applying complicated outcome reporting systems.* With over 300 players and 1,500 projects throughout Aceh and Nias, reporting on outcomes became particularly challenging. To date, there is no unified comprehensive system for collecting, monitoring and reporting on outcomes. A complex internet-based reporting system was created requiring data inputs on outputs or outcomes, however many found the system difficult to understand and ceased to update their information. Stakeholders learned the importance of monitoring outcomes and engaging development partners, but also recognized that a simple reporting system is imperative.

Results:

- Short-term: *CDD programs represent 20 percent of the overall donor community reconstruction portfolio (US\$5 billion).* CDD programs are the third largest in funding receipts after roads and bridges and governance and

administration projects (KDP is primarily a governance project that builds village infrastructure). Successful CDD reconstruction and rehabilitation results have led to additional increased funding for FY07.

- **Short-term: *CDD projects disbursed funding ahead of schedule.*** By December 2006, 18 months ahead of schedule, KDP had disbursed all project funds totaling US\$65 million. A new financing window is being developed for additional community grants. Disbursements (\$1.5 billion) under the community development program are impressive, considering that only 30 percent of funds have been disbursed from global reconstruction funds.
- **Long-term: *CDD programs yielded more outputs than any other program.*** In August 2006, reconstruction outputs (funded by the Multi-Donor Trust Fund) included roads, bridges, schools, houses, water/sanitation, street lights, health clinics and waste disposal systems.
- **Long-term: *CDD programs also contributed to longer-term outcomes.*** International auditors found that corruption rates were less than three percent among CDD programs in villages and urban areas - much lower than most other government projects that have been audited.
- **Replication:** CDD may be replicable when there is long-term commitment, as opposed to a reliance on quick fixes to provide instant accountability. CDD programs may be less effective if not installed prior to a disaster, as they are human resource-intensive and require tremendous technical assistance. CDD requires a more active donor presence than standard projects to establish anti-corruption and free-choice precedents in the field, which government-hired consultants rarely have the autonomy to do, especially in transition, crisis and post-conflict countries.

Conclusion:

- ***Conduct a community-based assessment and feed data into a broader outcome reporting process.*** Good data, information and communication are critical to reconstruction planning, policy-making and successful implementation outcomes. Despite the global attention to Aceh's reconstruction, there is no unified comprehensive system for collecting and disseminating key data. However, the CDD stock-taking exercise should yield valuable data on outcomes achieved in Aceh and Nias.
- ***Apply CDD lessons and use participatory processes for broader government results in planning, implementation, monitoring and reporting on outcomes.*** Clear processes, responsibilities and structures need to be established for effective overall results coordination and implementation among various stakeholder groups. This requires cooperation between provincial and district governments, community leaders, implementing agencies and donors.
- ***Expand CDD programs to include conflict-affected persons and returnees.*** Aceh's history of conflict has led to high levels of mistrust among communities, government, and the Free Aceh Movement. CDD programs can play an important neutral role in contributing to stability and peace by supporting the reintegration of former combatants into local structures and activities. Involving broader conflict-affected areas will require training of CDD facilitators and village heads in conflict resolution techniques.
- ***Move from areas only affected by the tsunami to all sub-districts in Aceh and Nias.*** Rather than focusing solely on tsunami-affected areas, the next step will be to ensure broader coverage of social services across Aceh and Nias and transition from rehabilitation and reconstruction to longer-term sustainable development. Now that the initial emergency has passed, greater coordination is needed in formulating and

adopting a participatory, results-focused, medium-term development plan. This plan should focus on lessons gained from community participatory planning and monitoring and provide for cooperation between the community and its stakeholders. CDD programs continue to play a role, not only to promote community-driven investment choices, but also to ensure governance and accountability to citizens.