

# World Bank Aceh Infrastructure and Housing Program

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## The Disasters and Conflict in Aceh

- Aceh Province and Nias
  - 57,000 km<sup>2</sup> and 4.4 million People
- December 2004 Indian Ocean Earthquake and Tsunami
- Mar 2005 Nias Earthquake
- Damage and Losses:
  - Fatalities and Missing People: 170,000
  - Damage and Losses: US\$4.45 billion
- 30 Years' Conflict

## BRR and MDF

- GoI Actions
  - Established Agency of Reconstruction and Rehabilitation (BRR) in April 2005
  - US\$2.3 billion (2005-08)
- MoU for Peace Agreement in Aceh Signed in August 2005
- International Communities' Actions
  - Pledged US\$7.8 billion
  - Multi Donor Trust Fund (MDTF) Established in May 2005

## Multi Donor Trust Fund (MDTF)

- 15 Donors (EC, Netherland, UK, Canada, World Bank, etc)
- US\$692 million
- 22 Projects
  - 5 for Community Recovery
  - 6 for Large Infrastructure
  - 6 for Capacity Building and Governance
  - 2 for Environment Management
  - 3 for Economic Development
- Among the 22 Projects, 2 completed, 3 near Completion, 13 Full Implementation, and 4 New projects

## Financial Management Challenges

- Domestic resources, private contributions and donor aid - balancing between fiduciary risk and reconstruction speed
- Crucial to mitigate the risk of corruption to maintain continuous donor commitment, support the legitimacy of overall reconstruction
- MDTF - an efficient instrument in reducing transaction and management costs
- MDTF instrumental in resource mobilization, policy dialogue, risk and information management

## Large Infrastructure, IRFF and IREP

- Infrastructure Reconstruction Financing Facilities (IRFF, US\$291 million)
  - 40 Roads
  - 6 ports
  - 10 Water and Drainage Facilities
- Infrastructure Reconstruction Enabling Program (IREP, US\$42 million for Consulting Services)
  - Infrastructure Program Management (IPM)
  - 3 Planning, Design and Construction Supervision (PDCS)
  - Financial Management

## IREP & IRFF: Progress

- Portfolio of 56 projects
  - 41 at PHO stage
  - 12 under construction
  - 3 terminated
- Physical Progress (81%)
- Financial Progress (76%)



## Bank Actions

- Field Based Infrastructure Team
- Simplification of Procedure as Possible
- High Intensity of Field Inspection and Supervision
- Client-Consultant-Bank Working Mechanism

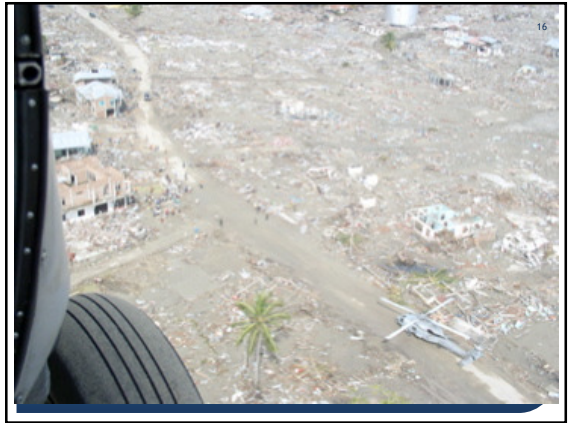
## Challenges

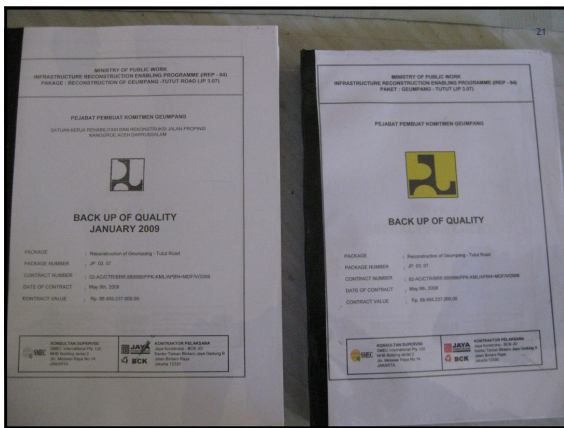
- Unbalanced Arrangement between Tasks and Institutional Capacity
- Culture, Security and Governance
- Progress and Quality
- Expectation Management
- Coordination between the Government and Donors and among Donors
- Political Considerations

## Portfolio Quality

- Satisfactory overall, and significant improvements
- High Level of Supervision Maintained
- Site Safety and Environmental Management Need Strengthening
- Smooth Hand-over for Assets and Contracts
- Progress ahead of Schedule







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Before and After: JK 1




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Before and After: JK 17




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Before and After: JK 13



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Before and After: JK 16



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Before and After: Sinabang Port



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Before and After: G. Sitoli Port





## Housing Program

- Housing (\$62 million)**
  - Reconstruction (8,000 unit)
  - repair / rehabilitation (7000 unit)
- Community Infrastructure (\$8 mill)**
  - Community Settlement Plans
  - Village infrastructure grants (BDL) (130 Village)
- Basic Infrastructure**  
(goods & works project)
- Implementation support**

## CSRRP POLICY

- Rehabilitation Policy:**
  - Minor damage - 15 million
  - Heavy damage - replace with new house
- Reconstruction Policy:**
  - Single rate for all districts - IDR 53 million (US\$5,000)
- Community Infrastructure \$100,000/village**

## Community Pre-tsunami Settlement Mapping

## LAMBUNG & LAND CONSOLIDATION

