



Australia Indonesia Partnership
Kemitraan Australia Indonesia



Australia Indonesia Partnership for Reconstruction and Development

Post-disaster recovery in Aceh and Nias (2005–08)





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Cover: Launching of traditional fishing boat. The fishing industry which was devastated by the tsunami has been rebuilt. Photo: AusAID

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As community life returns to normal after the tsunami and 30 years of conflict, the Acehnese people are increasingly optimistic about their future. Photo: M. Anshar

Executive summary

Three and a half years after the Boxing Day 2004 tsunami, tangible results of reconstruction are evident in the province of Aceh. Communities have been restored, and some are thriving. Children have long since returned to the many schools that have been rebuilt. While the physical, economic and emotional scars of the earthquake and tsunami remain, the reconstruction of the province is well advanced and the town of Banda Aceh is alive night and day.

Along the area most severely affected—the west coast—there are banks of new houses and freshly painted village halls, schools and health clinics. The town of Calang, which experienced the death of more than 80 per cent of its population and became completely inaccessible by road, now has markets, restaurants, coffee shops and a new hotel. Roads are being repaired and bridges are being built.

The outlook for the Acehnese people is also more positive following the cessation of 30 years of conflict. People can now travel throughout the province with less concern for their safety since the signing of the Memorandum of Understanding (MoU) on Demobilization, Demilitarization and Reintegration in August 2005. According to one former activist: ‘... this is the best time in Aceh in the last 30 years’.

The Australian Government has committed more than \$250 million in emergency response and reconstruction assistance. This includes a significant contribution from the \$1 billion package of assistance to Indonesia—known as the Australia Indonesia Partnership for Reconstruction and Development (AIPRD).

This much-needed aid has supported the recovery of communities in many ways, including through the reconstruction of public infrastructure in Aceh and Nias, such as schools, health facilities and the port at Banda Aceh. Australian efforts have focused on consolidating investments in physical reconstruction by helping the Acehnese develop the skills necessary to manage continuing improvements in these sectors.

The loss of life following the tsunami hit the health and education sectors hard with the loss of thousands of doctors, nurses and teachers. Australia, through the Australian Agency for International Assistance (AusAID) has provided training to rebuild these lost skills, including for 230 hospital workers, thousands of nurses and midwives, and 1750 teachers. New technical training facilities and management systems have been put in place to provide future generations of professionals in these sectors with the skills required to deliver high-quality services.

AusAID has also worked closely with communities and local government in disaster-affected areas to establish ‘one-stop-shops’ to improve the delivery of local government services to the people of Aceh. Village elections have been revitalised with Australian assistance, and community participation in the electoral process has been enhanced, which is helping to ensure local governments are held to account for their actions. AusAID has also worked with communities on the remote island of Nias to restore essential

community infrastructure and improve government capacity to maintain and manage rebuilt infrastructure.

Australian assistance has also played a small but important role in helping people return to income-generating work. In aquaculture, AusAID has worked with farmers and government outreach workers to increase yields of crops such as prawns. The Australian Government has also employed thousands of Acehnese workers on its reconstruction projects and has trained local tradesmen in housing construction and advocacy so they can both build and advocate for better-quality housing.

However, the devastation suffered in Aceh and Nias as a result of one of the deadliest disasters in modern history cannot be underestimated. Neither can the impact suffered by the people from the preceding 30-year conflict. Reconstruction has progressed, but many issues related to the conflict remain unresolved. Former Free Aceh Movement (*Gerakan Aceh Merdeka*—GAM) combatants, for example, are experiencing high levels of unemployment. Tensions also remain regarding the inequitable distribution of resources across the province, with high levels of aid going to tsunami-affected areas. Supporting stability and peace, and rebuilding communities, remain significant challenges for the people of Aceh, government, civil society groups and international donors.

The job is far from over. Australia is committed to supporting Aceh's success beyond the reconstruction effort and to ushering in a new era of prosperity for the province.

This report details the achievements of the Australian reconstruction program in Aceh and Nias, and points to a positive future for the province.

Total Australian expenditure in Aceh and Nias to June 2008

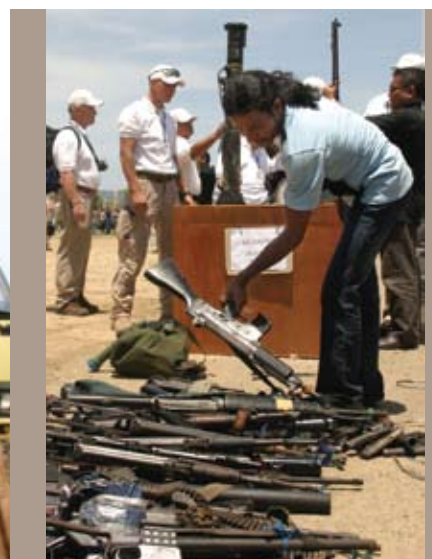
| Funding commitment source | Total commitment (\$ million) | Spent to June 2008 (\$ million) |
|--|----------------------------------|------------------------------------|
| Immediate humanitarian assistance—AusAID | 34.4 | 34.4 |
| Immediate humanitarian assistance—other Australian Government departments (primarily Defence under 'Operation Sumatra Assist') | 37.4 | 37.4 |
| AIPRD Aceh and North Sumatra project commitments | 181.0 | 154.9 |
| Aceh Rehabilitation Programs—restoring health, education and local government services (\$80 million) | | |
| Community infrastructure (\$25 million) | | |
| Livelihoods—restoring aquaculture and cropping (\$5 million) | | |
| Education research and training (\$3 million) | | |
| Housing and temporary shelter (\$10 million) | | |
| Rebuilding schools in conflict-affected areas (\$10 million) | | |
| Regional enterprise development (\$7 million) | | |
| Nias community infrastructure and technical assistance (\$10 million) | | |
| Aerial mapping (\$10 million) | | |
| Ulee Lheue port (\$8 million) | | |
| Humanitarian food aid (\$10 million) | | |
| Technical assistance for improved governance (\$3 million) | | |
| Total | 252.8 | 226.7 |

* All dollar figures are in AUD unless specified otherwise.

Background

The Indian Ocean earthquake and tsunami disaster of 26 December 2004 caused massive devastation in Aceh, Indonesia's western-most region. An estimated 167 000 people died and around 500 000 were left homeless. Some 800 kilometres of coastline were destroyed and more than 3000 hectares of land washed away or badly inundated by seawater. Ports, roads and bridges were also destroyed. Thousands of schools, health facilities and water sources were damaged or destroyed and sources of local livelihoods debilitated.¹

The island of Nias suffered the dual impact of the tsunami and a massive earthquake on 28 March 2005. The island—already facing difficulties because of its isolation and inadequate income opportunities, limited human resource capacity and poor infrastructure—lost 11 ports, 403 bridges and more than 1000 kilometres of local and provincial roads.



Above: Free Aceh Movement (GAM) combatants hand over their weapons in 2005 following the signing of the MoU that ended 30 years of civil conflict. Photo: AP/AAP/Binsar Bakhara

Left: The Australian Government responded quickly and generously to the disaster, committing more than \$250 million to the North Sumatra emergency and reconstruction effort. Photo: R. MacColl

¹ World Bank, June 2005. *Indonesia: Rebuilding a better Aceh and Nias: Preliminary stock take of the reconstruction effort six months after the earthquake and tsunami*, p. xiii.

Within days of the disaster Australia announced a five-year, \$1 billion package of assistance to Indonesia.

The AIPRD, managed jointly by the governments of both countries, has since supported reconstruction and development efforts in and beyond tsunami-affected areas.

Australians responded quickly and generously to the disaster. Defence force personnel, nurses, doctors, logisticians and aid workers were some of the first rescue teams on the ground in Aceh. From those early days Australia committed to working closely with the Indonesian Government to attend to the immediate needs of the survivors and to start to put in place the people and institutional architecture needed to deal with the massive rehabilitation and reconstruction task ahead.

Within days of the disaster Australia announced a five-year, A\$1 billion package of assistance to Indonesia. The AIPRD, managed jointly by the governments of both countries, has since supported reconstruction and development efforts in and beyond tsunami-affected areas.

The Australian Government committed more than \$250 million to the North Sumatra emergency and reconstruction effort. This includes \$181 million in AIPRD funds for reconstruction and rehabilitation activities in Aceh and Nias. Australians also privately donated more than \$350 million for tsunami relief and reconstruction programs delivered by Non-Government Organisations (NGOs).

The Australian Government program in Aceh has focused on the sectors most critical for reconstruction: health, education, infrastructure, livelihoods and governance. This has included the rebuilding of community facilities such as the emergency ward of the main hospital in Banda Aceh, health clinics, schools and village halls across the province. Australia's assistance has also helped address the significant skills shortages caused by the tsunami with the loss of thousands of doctors, nurses, teachers and government officials.

Since the tsunami real opportunities have emerged for peace and development in Aceh. The province is recovering not only from the tsunami but also from more than 30 years of conflict between the Government of Indonesia and the GAM. Before the tsunami, an estimated 1.2 million people (28.5 per cent) lived below the poverty line. Capacity for service delivery and governance was weak and fractured.

In 2004, Aceh was the fourth-poorest province in Indonesia. Two years after the tsunami poverty levels increased further, leaving Aceh the second-poorest in Indonesia. Poverty levels are now improving as a result of the peace process and reconstruction effort.²

The MoU signed in August 2005 between the Government of Indonesia and the Free Aceh Movement has resulted in the surrender of weapons by GAM, the demobilisation of thousands of former political prisoners and combatants and the redeployment from Aceh of government troops and police.

In December 2006, a former GAM leader was elected Governor of Aceh in peaceful elections. Since the signing of the MoU, trust between the two sides has increased. Also, since the passing of the Law on Governing Aceh in 2006, Aceh has obtained a degree of economic and political autonomy. The challenge for Aceh now is to manage the broad range of powers and responsibilities that have been devolved to the region.

This report gives an overview of the achievements of the Australian reconstruction program in Aceh and Nias, draws lessons from the unprecedented reconstruction effort and discusses AusAID's transition to ongoing development work in the province.

² World Bank, 2008. *Aceh Poverty Assessment 2008: The Impact of the Conflict, the Tsunami and Reconstruction on Poverty in Aceh*, Jakarta.

Program design and approach

After the immediate emergency following the tsunami was brought under control in Aceh, the sheer enormity of the technical, logistical, social and regulatory challenges became apparent. As the death toll mounted and the full extent of damage and loss emerged, the realisation dawned that reconstructing schools, roads, ports and houses was only part of the job ahead. Rebuilding the capacity of Aceh's workforce was to be just as challenging. Every sector of Aceh was in dire need of assistance.

Hundreds of donors and NGOs poured into Aceh with billions of dollars in donations to go toward reconstruction. AusAID set out to establish a significant, yet short- to medium-term response to the disaster in a difficult operating environment.

Following 30 years of conflict in the region, the Aceh Rehabilitation Program started from virtually a 'zero base'. Before the tsunami, there were few donors or NGOs operating in Aceh, no existing arrangements upon which to build, no staff on the ground and no supply chains.

Australia's partnership with Indonesia became the cornerstone of AusAID's efforts in Aceh. The AIPRD introduced a new agreement for a closer development partnership between the Australian and Indonesian governments. The AIPRD formalised a government-to-government commitment to partnership at the highest level.

AusAID took a pragmatic approach to developing the suite of programs that together make up the Aceh Rehabilitation Program. To be effective, the programs needed to respond to the changing environment, build on activities that were working and remain flexible.

The goal of the Aceh Rehabilitation Program was to contribute to the recovery and development of Aceh and Nias in ways that would meet the needs and aspirations of its people and communities.



Above: Aceh communities look to the future. Photo: R. MacColl

Left: Aceh after the disaster. Photo: R. MacColl

Formal and informal partnerships were established at every level. Decisions regarding allocation of funds were made by a Joint Commission overseen by the Australian Prime Minister and the Indonesian President, and the foreign affairs ministers and economic ministers from both countries. Advisers worked closely with the officials of the Indonesian Government who were responsible for reconstruction. Sector program managers were placed in provincial government offices and a wide network of locally engaged staff employed by AusAID worked at the village level.

This approach was valued by both the Indonesian Government and the Acehese population. Australia became known as a partner that understood Aceh's needs and could be called upon when challenges had to be tackled.³

Program goal and principles

The goal of the Aceh Rehabilitation Program was to contribute to the recovery and development of Aceh and Nias in ways that would meet the needs and aspirations of its people and communities.

To ensure this goal was reflected in all of AusAID's work, five principles were defined to guide the design and development of Australia's assistance in Aceh:

1. Work alongside national and provincial governments

The formal partnership between the Australian and Indonesian governments ensured AusAID sought the early and continuing involvement of Indonesia in developing and delivering the reconstruction program. Programs worked through existing systems, rebuilding and strengthening them in the process. Where possible, AusAID teams were placed in local government offices.

2. Leverage funds and complement other programs

It was not a lack of funds but complex logistical and planning challenges that caused difficulties and slowed down reconstruction. AusAID worked to complement Indonesian Government and other donor programs and to strategically fill the gaps impeding progress.

3. Focus on essential services

AusAID focused only on sectors that provided essential services to the population. Training teachers and nurses, rebuilding schools, providing essential equipment and resources, and streamlining administrative processes of local governments had an immediate effect on the quality of public services delivered to tsunami victims.

4. Target the most vulnerable and poor

AusAID worked hard to maintain a focus on meeting the needs of people first, and then finding ways to implement good ideas. AusAID quickly deployed and placed numerous advisors in local institutions (government and civil society) to gather information about needs, seek out where AusAID could be most helpful and develop a program from there.

5. Work in areas where AusAID has a comparative advantage

Even though AusAID did not have a program of assistance in Aceh before the tsunami, Australians had a wealth of experience in other parts of Indonesia. By carefully teaming up this expertise with Acehese advisors, AusAID could adapt proven methods of intervention to specific Acehese circumstances.

³ Based on the findings of an independent review of the AIPRD conducted in 2008.

Report against sectoral outcomes

The Aceh Rehabilitation Program commenced in January 2005 as a medium-term reconstruction program. AusAID developed programs in health, education, infrastructure, governance, and livelihoods for disaster-affected areas in Aceh and on the island of Nias, focusing on these outcomes:

- > services—health and education services that meet the needs of the people of Aceh, in which they can have confidence
- > infrastructure—infrastructure and equipment that is used well and can be maintained
- > governance—communities and governments that work together to meet community needs
- > livelihoods—support structures and systems that assist economic growth.

Australia's key achievements against these sectoral outcomes are detailed throughout this section.

Health

| | |
|--------------------------------------|----------------|
| Commitment | \$28.2 million |
| Expenditure estimate as at June 2008 | \$28.1 million |

Damage

Three decades of conflict, combined with the impact of the tsunami, left health services and infrastructure in dire shape and unable to adequately meet the province's needs. More than 120 health facilities were damaged or destroyed. Aceh's main hospital, Rumah Sakit Zainoel Abidin, was badly damaged in the tsunami and 10 per cent of its medical staff went missing or were declared dead. At least seven other hospitals and 11 provincial health centres were destroyed.

One of Australia's most important contributions during 2007 was the establishment of facilities to train and develop future generations of Acehnese health professionals.

Achievements summary

- > restored emergency health care at the Zainoel Abidin Hospital
- > re-established administration systems at the Zainoel Abidin Hospital
- > established medical skills laboratories at Syiah Kuala University and Zainoel Abidin Hospital to train future health professionals
- > improved provincial health-service management processes
- > upgraded four health clinics and reconstructed a midwifery academy
- > reconstructed two pharmaceutical warehouses and re-established medical supply chains
- > refurbished buildings and laboratories at Banda Aceh's Health Technical College



Australia has helped to restore essential health services in Aceh.

Right: Restoring physical infrastructure such as the Emergency Ward at the main hospital in Banda Aceh. Photo: M. Anshar

Above: Restoring and upgrading training facilities such as the midwifery academy. Photo: AusAID



- > provided training and professional development for more than 230 hospital staff
- > awarded more than 3700 scholarships to nursing, midwifery and healthcare students

Achievements, 2007-08

Australia responded quickly to needs in the health sector by restoring emergency health care at Zainoel Abidin Hospital—Aceh’s major hospital. This facility is now fully operational and is treating more than 1000 patients a month. The health service was further strengthened through the training of health workers.

Provincial health-service management was strengthened through targeted assistance to departmental planning and budgeting. With Australia’s help, the Provincial Health Office in Aceh was refurbished and Aceh’s first strategic health plan and health action plans are being implemented.

One of Australia’s most important contributions during 2007 was the establishment of facilities to train and develop future generations of Acehnese health professionals.

Undergraduate medical students can now learn to use the most modern techniques and equipment available in Indonesia in the laboratory established at Syiah Kuala University. The laboratory will train some 1000 students annually, producing approximately 200 graduates each year.

Post-graduate students will study real-life cases at Syiah Kuala University. In addition, Australia supported the refurbishment of the environmental and microbiology laboratory, the nutrition laboratory and the main administration buildings at the Health Technical College in Banda Aceh.

Provincial health-service management was strengthened through targeted assistance to departmental planning and budgeting.

Education

| | |
|--------------------------------------|-----------------|
| Commitment | \$45.25 million |
| Expenditure estimate as at June 2008 | \$36.3 million |

Damage

The tsunami devastated the education sector in Aceh. More than 2100 schools were damaged or destroyed, including more than 1500 primary schools, nearly 300 junior secondary schools, as well as kindergartens, technical and vocational schools and institutes of higher education. About 2500 teachers and 38 000 students died in the disaster and 150 000 students lost access to education facilities. This followed the 30-year conflict in Aceh, which had already reduced the quality of education. During this period many teachers refused to work in areas affected by the conflict and an estimated 900 schools were destroyed by the parties to the conflict.



Left and below: Australia's work in the education sector will continue to improve the quality of education and student participation, particularly by girls. Photo: R. MacColl

Working with communities to rebuild schools

The Australian Government has provided \$2.65 million to support the establishment of a school at Suak Timah, which will provide education for local primary and secondary students.

People from the area were closely involved in planning and monitoring the building process over the past two years, and donated the community's football field to be the site of the new school.

Community leader Tgk H Abdullah Agam said the people wanted to give their children a new start after the tsunami by providing them with a school and a future through education.

'This top-class school will now become a place of quality education for our children, as well as a place for the community to gather,' he said.



Achievements summary

- > improved school and asset management by:
 - refurbishing 84 schools through small grants
 - providing training for 101 schools to better plan and manage budgets and resources
- > completed reconstruction of 13 schools and three education administration facilities
- > continued with ongoing refurbishment of 43 primary schools in conflict-affected areas
- > delivered 11 000 books to school libraries
- > helped implement the Aceh Provincial Education Strategic Plan
- > improved teaching services through the professional development of 1750 teachers
- > provided training for almost 1000 school committee members and government education officials in conflict-affected areas
- > developed materials for Aceh's three primary-teacher, pre-service training institutions
- > provided training in income-generation activities for 231 female staff members in Islamic schools

Achievements, 2007-08

It is estimated that more than 80 000 children have so far benefited from Australian assistance to Aceh's education sector.

Attention focused initially on rebuilding school buildings, a centre for teacher training at the local university and two government education offices. AusAID then focused on strengthening the administration and delivery of education services, which revitalised school-based management programs and improved the quality of education.

The local government continues to offer a training program for teachers and principals, based on manuals developed with the help of AusAID. The local university received technical expertise to improve the teacher-training curriculum. More than 900 teachers will benefit from these improvements every year.

In several areas where education standards and quality had been particularly affected by decades of separatist conflict, AusAID brought divided communities back together around the issue of education. This approach has led to improved attendance of students and teachers, as well as greater village cohesion and more inclusive decision making. It has ultimately resulted in more stable, peaceful village environments. This assistance will continue over the course of 2009.

Australia is also working to increase female participation in decision-making positions within school committees. Results have been impressive, with representation of women on most committees increasing by almost 40 per cent. Studies have shown that female participation in social institutions results in reduced conflict and an increased focus on improving the quality of education.

It is estimated that more than 80 000 children have so far benefited from Australian assistance to Aceh's education sector.

Infrastructure and housing

| | |
|--------------------------------------|----------------|
| Commitment | \$27.5 million |
| Expenditure estimate as at June 2008 | \$20.4 million |

Damage

Around 85 per cent of all infrastructure in Banda Aceh was damaged by the earthquake and the tsunami. With more than half a million people made homeless, approximately 120 000 new, permanent houses were required.

Aceh's main port bore the brunt of the tsunami and became completely separated from the mainland when the causeway washed away. Damage to more than 3000 kilometres of roads, 120 bridges and 14 ports cut off access to many parts of the coast. This infrastructure had to be rebuilt to ensure supply of basic needs and materials for reconstruction.



Above: Australia assisted village reconstruction by helping to map more than 88 000 plots of land and disbursing small grants to communities to repair uninhabitable houses and establish maintenance programs. Photo: AusAID

Left: Construction work at the Ulee Lheue Port, Banda Aceh. Photo: AusAID

Achievements summary

- > assisted with the repair of Ulee Lheue Port, including on the construction of a permanent ferry terminal
- > built more than 1200 temporary shelters and equipped them with water and sanitation
- > improved the skills of more than 470 Acehese construction workers involved in the reconstruction effort
- > brought together construction workers and technical experts in teams to help NGOs deliver on their housing commitments
- > helped the Indonesian Government Agency for Reconstruction and Rehabilitation and NGOs accelerate permanent-housing reconstruction

- > re-established land boundaries of more than 88 000 land plots to allow housing construction to start
- > trained 203 village crews and provided toolkits for minor housing repairs and maintenance
- > disbursed small grants to 45 communities to repair uninhabitable houses and establish maintenance programs
- > rebuilt 175 village halls

Achievements, 2007-08

Following Australia's assistance to repair Aceh's main seaport at Ulee Lheue, 900 passengers now transit the terminal daily, an increase of 50 per cent since 2005. Australia has also built a new permanent ferry terminal to house port administrators and a number of small businesses with a large shelter area for passengers.

Australia has provided the Indonesian Government and other reconstruction organisations with detailed digital maps for more than 14 400 square kilometres of coastal areas of Aceh and Nias and Simeulue islands. These maps continue to be used for reconstruction planning and to identify changes in Aceh's topography. AusAID is also helping the Indonesian Government map reconstructed assets so they can be transferred to the local government agencies responsible for managing them over the long term.

Rebuilding village halls was also a priority, with a total of 175 new facilities now constructed. These were designed in close consultation with communities and village leaders and have become centres for village government and community activity.

The Indonesian Government has indicated that as of April this year, enough houses had been rebuilt. The quality of some, however, remains an issue. Quality issues were in part the result of Aceh's construction industry being stretched beyond its capacity due to the amount of reconstruction.

Australian advisers played a critical role in helping the Agency for Rehabilitation and Reconstruction (Badan Rekonstruksi dan Rehabilitasi – BRR) address the challenges in the housing sector, by focusing on issues such as certifying beneficiaries and establishing quality assurance systems. Achenese construction workers, builders, plumbers and electricians were given government-certified, on-the-job and classroom training in housing reconstruction.

Australia also helped NGOs build permanent houses to improve the quality and speed of construction, and stimulated communities to take a more active role in building houses. Communities were introduced to building quality standards so they could monitor construction and advocate for better-quality houses from housing providers. This was backed by an \$1.5 million small grants program to fix minor defects in newly rebuilt houses in the 45 worst-affected villages.

Rebuilding village halls was also a priority, with a total of 175 new facilities now constructed. These were designed in close consultation with communities and village leaders and have become centres for village government and community activity.

Governance

| | |
|--------------------------------------|----------------|
| Commitment | \$47.9 million |
| Expenditure estimate as at June 2008 | \$42.7 million |

Damage

The tsunami and 30 years of conflict severely diminished the capacity of the Aceh Government to respond to people’s needs and deliver services. It also weakened the relationship between villages and sub-district governments. Many village and sub-district government leaders and more than 5000 public officers lost their lives in the tsunami. Equipment and paperwork were washed away, government buildings destroyed and service delivery completely disabled. As a result, the response has required not only the reconstruction of buildings, but also training for newly-recruited officials.

Achievements summary

- > delivered specialised training to more than 700 local government officers on leadership, planning, budgeting, conflict resolution and transparency
- > implemented a ‘one-stop-shop’ service-delivery model to streamline public service delivery in 51 sub-district governments—now being replicated across Aceh
- > constructed seven sub-district government offices
- > facilitated democratic village head and council elections in 270 villages (two female village heads were elected—for the first time in Aceh)
- > trained 2300 people as community leaders (more than half women) across 204 villages



Above: Building citizens’ awareness of election processes and their role in democratic society helps to improve the quality and transparency of government services. Photo: AusAID

Left: Australia helped to streamline government reconstruction services through single service windows—allowing Acehnese people to obtain a range of services from one place—quickly, cheaply and transparently. Photo: AusAID



Women were active participants in the first ever direct elections in Aceh in 2006—including voting and standing for office—and their participation in community decision making will continue to be supported. Photo: AusAID

Supporting the participation of women in the political process

In the district of Aceh Jaya, three women stood for the village head election. In the village of Tuwi Kayee, Ibu Tasyariah, a mother of five, conducted a successful campaign.

Her vision for the village included three broad goals: (i) to expand the role of women in the village; (ii) to develop a healthy and prosperous village; and (iii) to strengthen village spirituality. The development of the marketplace and the village road to the rice fields are Ibu Tasyariah's top priorities. 'The old market was burnt during the conflict and currently the village community has to go to Panga market to shop,' said Ibu Tasyariah after her win. 'For a population of 218, the road is essential to support their agricultural work.'

Australia supported activities to increase voter awareness and provided targeted support for women to stand for election in key leadership roles, including training courses in community decision making.

Zainab, one of the women who voted at Mon Mata Village, Setia Bakti Sub-District, said it was the first time a village head election was well managed: 'Previously we just came to the village hall and saw who was nominated, and then we selected one. Now, we know exactly how we vote and what he or she will do if elected as village head.'

Achievements, 2007-08

Australia continues to work to strengthen communities and local government services and build stronger links. Australia targeted essential-skills training at the sub-district level. More than 700 local government officials were trained in leadership, information technology skills, planning, budgeting, negotiation and conflict resolution.

Australia also supported committed officials to establish 'one-stop-shops' to deliver government services at the sub-district level. Affected communities can now obtain information and services related to housing allocations, welfare assistance and registration of births, deaths and marriages cheaper, quicker and more transparently than ever. The system is so successful that sub-district governments throughout Aceh are using their own funds to replicate these reforms.

Australia trained 2300 community members from 204 villages to lead the village planning and reconstruction process. Implementation of 730 village-improvement plans will see villages address their own needs such as obtaining access to clean water, farming equipment, electricity, child care and other essential services and resources.

On 5 September 2007, the people of Aceh Jaya District made history by being the first to conduct simultaneous direct village head elections. Australia worked with the Aceh Jaya district government to prepare election regulations and supported the election process by explaining regulations and procedures and increasing people's awareness about the importance of the elections.

By supporting free and fair elections at the local level, Australia contributed to improved government services. Citizens are now aware of their right and responsibility to hold their village heads accountable for government transparency and service delivery.

Livelihoods

| | |
|--------------------------------------|----------------|
| Commitment | \$22.1 million |
| Expenditure estimate as at June 2008 | \$21.2 million |

Damage

The tsunami devastated sources of livelihoods for many of Aceh's coastal people, compounding the damage already sustained to the economy by the 30-year conflict. Aquaculture was a thriving local industry, supporting more than 100 000 smallholders until the tsunami damaged or destroyed more than half the province's prawn ponds and hatcheries. There was a huge amount of damage to infrastructure, coastal fish reserves and soil fertility along 800 kilometres of Aceh's coastline. Seawater and sediment inundated the coastline, including agricultural land.

Achievements summary

- > boosted prawn harvest by 30 per cent for participants in an Australian-funded project, and reduced pesticide use by 60 per cent
- > reconstructed Aceh's main prawn hatchery and training centre for prawn farmers
- > established a temporary laboratory at Aceh's premier technical aquaculture facility to support staff to disseminate better aquaculture management practices
- > trained 2890 small business clients throughout Aceh and Nias in business planning, marketing advice and financial management
- > established an online-booking facility to improve local hotel services
- > formed 27 village micro-credit groups to help develop livelihoods and small self-help initiatives such as fish and prawn farms, motorcycle taxis, small restaurants and tailoring
- > trained 81 agricultural extension workers to advise farmers on better soil-management practices for crop cultivation

Helping people get back to paid work has been critical to restoring self-sufficiency for tsunami victims and constitutes an important step in ensuring that peace in Aceh is sustained. As employment opportunities associated with the reconstruction boom wind down, ensuring that ex-combatants establish alternative livelihoods will be critical to the long-term stability of the province.

Achievements, 2007-08

The Australian-funded Private Enterprise Partnership for Aceh and Nias continues to provide advisory services to help small- and medium-sized enterprises improve the business environment, restore livelihoods in strategic sectors such as aquaculture, increase access to finance and improve the availability of business-development services.

Helping people get back to paid work has been critical to restoring self-sufficiency for tsunami victims and constitutes an important step in ensuring that peace in Aceh is sustained. As employment opportunities associated with the reconstruction boom wind down, ensuring that ex-combatants establish alternative livelihoods will be critical to the long-term stability of the province.

Aceh is a major prawn producer. Before the tsunami prawn production supported more than 100 000 smallholders—one of the largest cash crops in Aceh. To help revitalise the industry, Australia, with help from the Australian Centre for Agricultural Research, has rebuilt the prawn hatchery and re-established a training centre for prawn producers. Better management practices have helped some prawn farmers double their incomes through increased yields.

Helping ex-combatants establish alternative livelihoods

Australia's work in the aquaculture sector has played an important role in supporting peace efforts in Aceh by providing alternative livelihoods for ex-combatants. Ismail Muhammad, a farmer from Samuti Krueng village in Bireuen, is a former GAM commander who became a participant in the Australian-funded prawn restoration program in 2007. As part of the program, he received ongoing advice on how to better manage his ponds.

Ismail's efforts paid off. In his first prawn crop, his total production was a huge 412 kilograms of large-sized prawns. He sold his harvest for a profit of almost \$1500 in a place where the average monthly income is only \$110. Ismail is happy with his results: 'I had a very good crop, good profit and good size of prawn.'

A farmer brings in a netful of Acehese Monodon prawns, considered among the best in the world. With support and training provided by Aceh's peak aquaculture prawn hatchery—rebuilt by Australia after the tsunami—farmers are increasing their yields, ready for market. Photo: International Finance Corporation



The Aceh Ministry of Fisheries will disseminate better management practices to farmers across the province. It is expected that reliable, high-quality yields will attract investors to process prawns in Aceh.

Australia has also funded work to improve aquaculture in Aceh by rehabilitating the province's peak aquaculture technical facility. This has included rehabilitating infrastructure at the facility and working with staff to develop their skills so they can better meet the technical needs of the local aquaculture industry.

Australia has been working with farmers and agricultural extension workers to restore soil fertility so farmers can once again produce rice and other crops such as peanuts and soybeans. Crop yields have increased where improved practices have been adopted. Training has been provided to 81 local government agricultural extension workers who, in turn, will train farmers—a flow-on effect expected to spread the benefits of these improved practices throughout tsunami-affected districts.

AusAID and the International Finance Corporation opened the Investor Outreach Office in March 2007 as part of a \$7 million program to encourage private sector investment in Aceh. It provided support to 40 investors and delivered business training to 800 people.

Nias

| | |
|--------------------------------------|----------------|
| Commitment | \$10.0 million |
| Expenditure estimate as at June 2008 | \$6.2 million |

Damage

After the tsunami, Nias Island suffered the second blow of an earthquake on 28 March 2005. The impact of these two disasters, combined with the economic effects of geographical isolation, has left Nias as one of the most underdeveloped areas in Indonesia. Australia is contributing to the recovery and wellbeing of communities by rehabilitating and reconstructing community infrastructure and restoring local government services. Australia's assistance to Nias will continue in the coming years.

Achievements summary

- > supported 96 small-scale community infrastructure projects including access roads, bridges, suspension bridges, retaining walls and water supply infrastructure—work is complete on 34 projects and a further 62 projects will be completed by January 2009
- > facilitated community-planning workshops across 57 villages to map community infrastructure needs and future development goals
- > reconstruction of 10 sub-district offices—six will be finished by October 2008 and four by March 2009
- > trained government officials across four sub-districts to manage and maintain infrastructure

Australia's work in the district of South Nias—the poorest district in Nias—supports small-scale projects designed to rebuild community infrastructure such as basic bridges, access roads, erosion control walls, and water and sanitation facilities.



Australia has assisted communities in South Nias to improve their lives by investing in small community infrastructure. This photo shows a drainage system constructed by Hilindrasoniha village, Telukdalam sub-district, South Nias district. Photo: Elfrietz Berkani, AusAID

Achievements, 2007-08

Australia's work in the district of South Nias—the poorest district in Nias—supports small-scale projects designed to rebuild community infrastructure such as basic bridges, access roads, erosion control walls, and water and sanitation facilities. Communities identify these projects as priorities and build the infrastructure themselves. In the process, community members are taught basic concepts of project and financial management. Village residents benefit either through employment opportunities associated with implementation, or directly through infrastructure improvements.

Although small in scale, these projects bring about substantial improvements for residents of these village communities. Communities now have improved access to schools, government services, emergency services and markets. Water and sanitation facilities are helping to reduce sickness, particularly in children. Improved access to water is empowering women—they are saving the time previously spent transporting water to their households, which gives them more time to invest in productive activities.

Australia is also rebuilding five sub-district government offices and providing targeted assistance to sub-district governments. This includes training and coaching for local government officials with a focus on government investment in community infrastructure, including maintenance processes.

Communities building an access road for Koendrafo village, Lolomatua sub-district.
Photo: Juni Sembiring, AusAID



Transition to ongoing development work

Reconstruction of the damage done by the tsunami is nearing completion and the quality of infrastructure in Aceh is reaching a level comparable to the situation before the disaster hit. However, further work is required to ensure Aceh has the best chance to fully recover.

The security situation has improved significantly following the peace agreement in 2005 and the people are optimistic, particularly with the significant increases in government funding flowing into the province. However, concerns remain around high levels of poverty and unemployment and limited government service delivery following 30 years of civil conflict.

As reconstruction comes to an end, the Australian Government remains committed to working with Aceh to support long-term peace and prosperity. Over the next five years, Australia will provide up to \$50 million in funds to Aceh to help strengthen service delivery and build sustainable economic opportunities for a peaceful, prosperous future.

Australia will support a shared government and donor approach to peace and development assistance in Aceh. This will include promoting a joint government-and-donor strategy, focusing on, and aligning efforts to, ensure that government funding meets the needs of the people.

Australia will continue to work with the Indonesian Government and other donors to help local governments in Aceh deliver better services and strengthen democratic processes. This will include helping local governments improve their services to constituents, helping citizens demand better governance and introducing practical transparency and accountability measures.

Australia will also build upon the success of the post-tsunami education program to deliver better education in Aceh. This will include continuing work in conflict-affected areas to rebuild schools and promote community participation in education.

To support peace efforts and long-term stability, Australia will also focus on getting people into paid employment, including women who have traditionally been excluded from the workforce.⁴

Australia will continue to work with the Indonesian Government and other donors to help local governments in Aceh deliver better services and strengthen democratic processes.

⁴ The 'Australia Indonesia Partnership Aceh Program Framework 2008–13' is available at: <http://www.ausaid.gov.au/country/cntryrel.cfm?CountryID=30&Region=EastAsia>.

Australian support for peace and development in Aceh

The dual impact of the tsunami and 30 years of civil conflict left Aceh as one of Indonesia's poorest provinces.

Since the tsunami, Australia has rebuilt health and education facilities and village halls at the heart of communities, supported housing reconstruction through land mapping, strengthened democratic processes and improved government service delivery.

In June 2008, Prime Minister Kevin Rudd announced a \$50 million initiative to support peace and development in Aceh. This forms part of Australia's new five-year development partnership with Indonesia.

Over the next five years, Australian assistance in Aceh will work to:

- > build sustainable economic opportunities for the Acheneese
- > invest in the people by improving the quality of education for Acehnese children
- > help governments deliver better services
- > help community members, including women, to participate in decision-making and democratic processes
- > promote a safe and peaceful Aceh.

This substantial longer-term commitment to Aceh is integral to Australia's development partnership with Indonesia. It marks the transition from Australia's successful rehabilitation work in Aceh to an ongoing commitment to the province's longer-term development.

Australia will build on the successful community engagement activities of Australia's reconstruction program to improve governance—helping government improve its service delivery and building popular demand for transparency and accountability.

Below: Communities, and the organisations that represent them, will be supported to identify, formulate and communicate their needs to government. Photo: AusAID



