

**Indonesia
Tsunami/Earthquake Rehabilitation and Reconstruction**

Human Settlements Rehabilitation/ Reconstruction Strategy

DRAFT

April 9, 2005

I. Introduction

A. December 26 earthquake and Tsunami.

On the morning of December 26, 2004, a major earthquake registering 9.0 on the Richter scale hit Indonesia, with its epicenter in the Indian Ocean, within 150 kilometers of Aceh Province, on the northern tip of Sumatra. The earthquake was followed by a massive tsunami that devastated the human population living on the coastline of Aceh Province, and parts of North Sumatra Province. The same tsunamis caused death and destruction throughout southern Asia and as far away as Africa. The disaster killed over 110,000 people and 700,000 people were displaced.

B. Damage Assessment.

The Government carried out a multi-sectoral damage assessment¹ in January 2005 with support from the donor community and jointly prepared a Technical Report and associated Notes on Reconstruction², to help donors and bilateral and multi-lateral financing institutions in assessing the impacts of the disaster and in identifying possible areas of assistance.

According to the Damage Assessment, it is estimated that some 1,000 villages and urban communities have been affected and 127,000 houses completely destroyed. The preliminary estimate of damages and losses in Aceh and North Sumatra is Rp.13.4 trillion (US\$1.4 billion).

C. Current Situation in the Field.

After two months from the deadly disaster, the affected areas are entering into the rehabilitation and reconstruction stage. Along with emergency relief activities, preparation efforts to enable transition to the reconstruction phase are continuing on debris removal, establishment of temporary barracks and recovery of the land records from debris.

To date, debris removal has progressed to about eighty percent, expected to be complete by the end of March 2005. While debris removal continues, the national land agency (BPN) continues its work to retrieve and clean hundreds of files, in an attempt to recreate land records. In parallel, they have invited owners to bring in any documents they have and re-register their properties. As of February 15, 2005, an estimated 1,400 owners have turned up. Temporary barracks are being set up. In February 2005, some 3,281 families (approximately 11,000 persons) have been moved from tents to barrack-style quarters. Current plans call for about 100,000 persons out of an estimated 500,000 displaced persons, to be housed in such barracks. The affected areas are starting to transition from Emergency Response/Relief to Rehabilitation/Reconstruction phase. The Government is currently developing a human settlements rehabilitation and reconstruction program to complete within the time range of two and a half years, starting in June 2005.

¹ BAPPENAS and The International Donor Community (eds.) (2005): *Indonesia: Preliminary Damage and Loss Assessment – The December 26, 2004 Natural Disaster*, Jakarta, 19 January.

² BAPPENAS and The International Donor Community (eds.) (2005): *Indonesia: Notes on Reconstruction – The December 26, 2004 Natural Disaster*, Jakarta, 19 January.

Estimates for reconstruction and rehabilitation needs³

Districts	No. of Housing for Reconstruction	No. of Housing for Rehabilitation
Simeulue	1,451	3,439
Aceh Selatan	3,005	1,440
Aceh Timur	2,426	5,077
Aceh Barat	3,191	9,835
Aceh Besar	6,780	30,344
Pidie	7,368	15,217
Bireuen	5,319	5,319
Aceh Utara	8,414	17,340
Nagay Raya	1,944	3,994
Aceh Jaya	2,642	8,714
Banda Aceh	20,448	3,934
Sabang	947	3,099
Lhokseumawe	2,147	1,058
Subtotal	66,082	108,810
Propinsi Sumatra Utara (NIAS)	450	9,513
Total	66,532	118,323

D. Administrative Arrangements and Readiness.

To date, the Government is in the process of establishing Board for Coordination of Implementation (Badan Koordinasi Pelaksana/BKP) as the overall coordinating body for the Tsunami reconstruction. Institutional arrangements for interventions on housing reconstruction will be coherent with these overall arrangements.

Local administrations suffer from the severe lack of personnel and logistics to respond to the needs of the affected population. Many of the local government staff lost their entire families and belongings and live in refugee camps or similar temporary quarters. Emergency reconstruction is something new to these surviving staff and there is a critical need to provide capacity building of the staff that will be managing human settlements rehabilitation and reconstruction programs.

E. Rationale for the Strategy.

In order to ensure smooth transition from the relief to the rehabilitation and reconstruction phase, a Comprehensive Human Settlements Rehabilitation and Reconstruction Program (to be called “the Program” hereafter) will be formulated as a program of actions aimed at restoring the basic housing conditions of the affected population. The Program comprises of a set of priority actions and processes that should be incorporated in housing reconstruction activities in each zone.

This Strategy Paper was prepared to facilitate the formulation of the Program. It aims at (a) setting the policy priorities; (b) outlining the general policy principles and framework of the Government in the housing recovery; and (c) clarifying the management and coordinating arrangements for the implementation. The Strategy sets a broad policy

³ BAPPENAS, The assumption is made for 80% of the total number of houses damaged, given the fact that the number may be reduced due to the reduced size of population as compared to the pre-disaster period. The data is based on PODES 2003.

framework, to be translated into the Program, and subsequently implemented through a series of assistance activities/projects. The Strategy is also intended for the potential donors as a policy and guiding framework to base their designs of potential assistance activities.

F. Structure of the Strategy.

This Strategy Paper comprises of the following Sections:

The next **Section II** explains the challenges faced and then it spells out the Government's general principles for human settlements rehabilitation and reconstruction in Aceh;

Section III enumerates the key pillars that structure the Program. It elaborates on the nature of issues to be addressed in the Program and corresponding policy measures and instruments that are envisaged by the Government.

Section IV defines institutional arrangements required to implement the Program.

Finally, **Section V** presents "Action Plans", which defines series of proposed activities to be covered under the Program. It also describes the modalities for the donors to define their activities in consultation with the Government.

II. The Strategy

A. General Approaches to Human Settlements Reconstruction

"Notes on Reconstruction" jointly prepared by the Government and the donor community in January 2005 outlines key principles for the overall recovery framework. This Human Settlements Rehabilitation and Reconstruction Strategy aligns with the above framework as follows:

People-Centered and Holistic Approach. This Strategy focuses upon the central role of the affected communities by starting the consultation process at the smallest urban and rural neighborhood levels. It advocates the resuscitation of social community structures based on Community-Driven Development (CDD) models successfully implemented throughout Indonesia. Specially-trained facilitators will be deployed to work through such communities in every aspect of the Strategy, including locating, organizing and canvassing residents on their return preferences, short-term priorities, opinions on possible modifications in plot configuration; preventing return to hazardous areas; development and choice of assistance options; assistance in determining and monitoring eligibility criteria and use of grant funds; helping to resolve internal disputes; monitoring and evaluating rehabilitation and reconstruction activities. The vulnerable groups in the surviving population (elderly, female-headed households, and households who express inability to manage housing reconstruction) will be assisted by community-based organizations in the management of housing reconstruction process.

Effective Coordination. It is very common in emergency reconstruction operations to have donors and even government agencies becoming frustrated with the slow pace of the

process and as a consequence, they embark upon individual initiatives without waiting for others to act or with limited consultation and coordination. In this Strategy, effective coordination means by operationalization, in its simplest form, of a common overarching structure where all participants share a common goal and achieve the desired outcome through establishment of a set of clearly defined and consistent, compatible operating guidelines and principles, in line with the mandate of the entity involved. Therefore effective coordination does not mean centralized approval.

In this regard, a Clearing House (Posko) concept will be applied as a simple device to promote cooperation among a diverse group participating in the Human Settlements Reconstruction and Rehabilitation Program. In the Clearing House system, there is a clear posting of all of the various tasks comprising the Program and while each donor or other participant is invited contribute under commonly defined ground rules, all are aware of what each other is doing and there is some mechanism for monitoring and maintaining progress records.

Rehabilitation, Reconstruction and Mitigation Focus. Human settlements rehabilitation and reconstruction grant schemes are envisaged as the main instrument of the Program. In principle, resettlement will be minimized for the very critical cases and alternative options to resettlement will be sought before a final decision is made with the communities. For those locations where community preferences, spatial planning and levels of damage and future risks favor in-situ solutions, rehabilitation will be the preferred option, regardless of the tenure status. In other cases, where the above indicators point otherwise, reconstruction and any voluntary resettlement activities are likely to be pursued. In all cases, strong efforts will be made to prevent settlement in clearly hazardous areas. Assurance of quality and compliance with applicable building codes will also be a key element of the Program. As part of the Program, special efforts will be made to integrate disaster risk mitigation measures in the reconstruction planning, such as maintaining key escape routes and retrofitting public and social infrastructure such as mosques to be used as temporary refuge for future disasters.

Fiscal Transparency and Accountability. Simple and easily monitorable and traceable methods will be applied for allocating grants to beneficiaries through individual bank accounts. Multi-tranche disbursement systems will be established and will be linked to audited construction progress. If successful, one far-reaching result of using individual bank accounts would be the initiation of a significant number of community groups or citizens to the formal banking system and the creation of a multi-use vehicle to channel other public and private assistance programs (e.g., cash transfer programs) directly to beneficiaries while minimizing leakages and promoting better targeting.

B. Enabling Conditions for the Strategy.

In order to actually translate the above-described general approaches into a set of practical interventions that can structure the Comprehensive Human Settlements Rehabilitation and Reconstruction Program (“the Program”), following considerations should be incorporated in the design of the interventions:

Emphasis on self-construction. Given the mixed nature of the affected areas (urban, peri-urban, rural, coastal areas), and in order for the housing designs to be responsive to the socio-cultural characteristics of the affected areas, the proposed intervention will focus on encouraging self-build/construction rather than mass production of social housing units. The Government intends to put in place at the local government level, the systems for advisory support on technical and structural soundness of the designs and quality assurance during construction stages. The financing schemes will be also designed to enable self-construction and community participation.

Ensuring tenure security and safeguards. It is imperative to support the surviving population to restore their basic living conditions as soon as possible. Off-site resettlement should remain at a minimum level in this regard. In the cases of inevitable resettlement, distance from the original areas and access to socio-economic activities and other preferences from the affected communities will be taken into consideration in resettlement planning in order to minimize negative impacts of resettlement. For areas where the land records were lost, measures to re-establish titling will be put in place. For areas where the tenure was informal in the pre-disaster context or was based on customary laws, measures to verify the occupancy since before the disaster and to regularize the occupancy will be put in place. On decisions regarding resettlement and other entitlements, it will be recommended that the community-mobilization mechanism is utilized to develop a mutual agreeable solutions/consensus, but in case of community conflicts difficult to be resolved at the community level, they will be communicated to the local government level, where a mechanism for grievance redressal will be set up.

Flexibility in combining housing options. Grant scheme will be the main instrument for rehabilitation (see details in Page 7). A combination of grant and loan schemes will allow flexibility in planning reconstruction works based on the affordability and socio-economic status of the eligible victims.

Checking and monitoring systems. While it is important to ensure a checking-and-monitoring mechanism in place, the mechanism should remain simple (based on a simple checklist). Community-based model will be utilized. Series of technical assistance (training) will be provided at local government and community level, targeting engineers, architects, surveyors and community leaders to be able to monitor the progress in rehabilitation and reconstruction works.

III. Key areas of interventions as the pillars of the Strategy

Based on the general conceptual framework presented in the Section II, this part of the Section defines key areas of intervention, which are the pillars structuring the Comprehensive Human Settlements Rehabilitation and Reconstruction Program.

A. Grants and Loans.

Housing Grant Scheme. The affected families will be provided with a phased payout of cash grants. The timing, pace, content, and extent of reconstruction will be managed by individual families that will be given relevant information on alternative house type plans, construction costs, and techniques and available demonstration units. Grants are

disbursed in tranches/construction phase (foundation, foundation for housing, core structure, and finishing) and each tranche should be validated and signed off by the engineers assigned on the site by the local government. Community-based organizations (CBOs) will be invited to facilitate the reconstruction process and to serve as a link between and among the affected families, local governments, and building material suppliers.

For partially damaged (less than 50% with the key structure assessed to be intact) housing, a scheme for rehabilitation and repairs will apply. A grant of Rp.12 million is allocated for each household whose main housing structure (only one house is eligible) registered as a partially damaged property based on the technical assessment to be conducted by the local government teams. For housing damaged more than 50%, a scheme for reconstruction will apply. A grant of Rp.34.4 million is allocated for each household whose main housing structure (only one house is eligible) registered as fully destroyed or severely damaged property. Based on the calculation by GOI, this Rp.34.4 million should cover the cost of constructing a core housing of 36 m² and tertiary connections to basic services⁴.

Qualified beneficiaries. If a family can provide evidence of: (a) living in the affected area prior to December 26, 2004, whether in their own or a rented house; (b) not claiming eligibility for any other house in the affected areas and (c) with the house either being damaged or destroyed, that family meets the basic qualifying criterion for assistance. They will need to provide appropriate documentation (utility bills, property record, evidence from key village officials, etc.), along with their agreement to use the assistance to rehabilitate or rebuild their homes in accordance with the required building codes, provide evidence of appropriate use of the funds, agree to refund the grant if it is later proven that they provided false evidence to receive assistance and any other related conditions.

Housing Loans Scheme. For the affected households who would like to invest beyond the grant threshold and fulfill the eligibility criteria, a loan scheme is proposed. This will apply for additional works (housing extension works) and reconstruction of buildings with mixed-use (residential and commercial). At the time of this Strategy preparation, details of the scheme (eligibility criteria, threshold, interest rate, loan proposal, approval and disbursement procedure) remain to be fleshed out and this will be one of the priority tasks in the Program.

B. In-situ and off-site housing schemes.

Technical studies should be carried out to determine constructible and non-constructible areas, based on which criteria will be set for in-situ and off-site housing schemes. Selection of which housing scheme to be applied should be discussed with the affected communities, based on the community mobilization platform to be established (See separate paragraphs on Community Mobilization for detail description of the proposed platform).

⁴ See Annex 2 for the proposed steps and flow of funds.

In-situ settlements rehabilitation and reconstruction. This scheme combines: (a) on-site infrastructure (tertiary connections to be covered within Rp.300 million community block grant, and primary and secondary networks covered through sector budget allocations); and, (b) household-driven and managed housing rehabilitation/ reconstruction (grant and loan schemes). Beneficiaries, through community-based organizations (CBOs) will be asked to actively participate in the site layout plan preparation and household supervision during the construction phases. The disbursement mechanisms will follow similar type of program with proven record of success (see annex 3).

During the preparation stage (technical studies, community mobilization, preparation of site layout plans) for in-situ, verification of land use and tenure will be carried out in parallel. The plot boundaries are clarified and recorded in the land use maps as a process to accelerate recovery of land records and also to regularize the land tenure status of the affected population.

Off-site (resettlement) settlements reconstruction. For areas not advisable to reconstruct in-situ, relocation of the affected community may become necessary. In such cases, the guiding principles will be, to the extent possible, to keep affected communities intact while at the same time providing for individual families or sub-sets of the community to opt out of such initiatives. In addition, renters and families without tenure will be treated on par with owners who have clear titles. While implementing the above, affected communities will be actively involved in the confirmation of new locations, and provide inputs in layout and infrastructure design. This process must be facilitated through community-based organizations (CBOs). During the preparation of the site layout plans, CBOs will be responsible for liaising among the local governments, technical teams (engineers and planners assigned by the local governments), and beneficiaries in order to make sure that the feedback from the beneficiaries will be reflected in the plans.

For housing reconstruction, the beneficiaries may have the option of constructing individually, or consolidating the grants to hire a contractor who will construct in bulk. In the latter case, inputs from the beneficiaries in building type and involvement in construction supervision will be required.

Relevant sector departments of the local governments will be responsible for managing primary and secondary infrastructure services through sectoral budget allocations.

C. Develop streamlined procedure for vetting building/reconstruction activities.

To mitigate risks of future disasters, earthquake-resistant housing design models would be beneficial. Designs, selections of materials, costing or prototypes will be assessed urgently to ensure minimum technical integrity and affordability.

Concise, clear and simplified building codes applicable to the reconstruction process will be developed, adopted and widely disseminated. Accelerated process for the issue of building permits/permissions will be institutionalized at the appropriate local, district and provincial government levels.

D. Land Tenure and Property Claims

One of the main potential obstacles to the timely initiation of rehabilitation and reconstruction of houses is the difficulty that many affected households may experience in demonstrating clear land ownership. It is estimated that only about 30% of land parcels in Aceh were formally titled in the first place and for many of those that were titled, most personal records of ownership were likely lost during the disaster. In some cases, official copies of such documents held in the land offices were also lost or damaged as one of the three land offices in Aceh was destroyed and the other two were damaged, leading to water-damaged records. Additionally, many physical survey identifiers would have been lost in the disaster or debris-clearing process and many of those who would have mental records are now deceased.

The remaining properties would be subject to a land adjudication exercise, relying on aerial photos, satellite images, official cadastral records, census data, tax maps etc. to produce a draft physical cadastre. Corroborative documentation such as utility receipts will be used in the adjudication exercise to substantiate claims.

For settlements that do not have official cadastral records but with a history of occupancy since before the disaster or whose occupancy was based on customary laws, the Government will make apply the same housing grant options. In parallel, alternative measures will be devised to regularize their occupancy. A multi-party committee at the local level (“ Local Housing Coordinating Committee”, comprised of representatives from local government, land agency, CBOs) will be set up at the district level to review occupancy claims for informal settlements. Expert consultants will assist this Committee. This serves as the first stop to review claims and seek mutually acceptable solutions before being submitted to legal justice systems. For in-situ housing schemes, land use and tenure status surveys will be carried out in parallel, in order to accelerate the recovery of land records and tenure regularization.

E. Land Use Assessment and Spatial Plan

Based upon early feedback from the field, initial considerations for comprehensive Master Plans, Land Use and Spatial Plans and associated large-scale resettlement actions do not appear to be warranted in most areas, primarily because: (a) almost all the units affected by the tsunami are located in residential areas; (b) there does not appear to be any hazardous or prohibited industrial or commercial activities in the affected zones; (c) the residents are not inclined to accept any radical change in their customary practices and even if they did, finding land in desirable locations and paying for such land and the associated urbanization works could be costly and complicated. Given the fact that there are very limited public sector-owned land reserves available, which could serve as alternative development sites, land use and zoning to be proposed in the Spatial Plan should minimize potential resettlement. In particular, the width of a security belt (buffer zone) along the coastline will remain at minimum and alternatives will be considered to take into consideration the intention of the population who used to live along the coastline, for some of who, this is their only asset left.

For the housing schemes to be launched, the Government determines constructible and non-constructible (hazardous) areas. Technical studies (i.e. Geological soil test, Environmental Assessment, Survey on Community Perceptions) will be carried out. Main factors determining non-constructible areas may include such factors as: a) substantial erosion of the land; (b) severe environmental pollution; (c) serious future natural hazard risk; (d) substantial destruction of tertiary infrastructure; (e) prior encroachment of State-owned shore line reserve; (f) cultural or religious sensitivity due to the numbers of ‘buried’ dead; and (g) other reasons. Technical studies will substantiate these factors and formulate technical criteria for identifying non-constructible areas.

Once the criteria is agreed upon, the next critical step is to estimate the number of houses with surviving members that fall into the specific areas no longer suitable to return will be estimated. Possible areas for relocation of these households will be identified. Selection of such areas will be formed by various factors including unencumbered ownership by the State; feasibility of connecting tertiary level infrastructure; proximity to livelihoods; proximity to education and health facilities

The Government will also consider the option of designating specific disaster-affected parts of districts as Special Planning Jurisdictions by Decree or some other appropriate instrument as a way of legally expediting reconstruction or resettlement plans that have been produced in agreement with the affected communities and which fit with a re-conceptualized land use plan. Special ‘safe havens’ like fortified mosques, elevated gathering points, and broadened escape routes to near-by hills will be considered in the detailed spatial planning for coastal areas.

F. Community Mobilization

The CDD model used under the community-based anti-poverty programs will be adapted and used throughout the Program. Active community participation will be sought in spatial planning, development and choice of assistance options, determination of eligibility, resolving disputes, construction management and monitoring and evaluation.

Following general steps will be taken in each affected community:

- Community Based Organization (CBO) re-building. This will be based at the lowest government jurisdiction i.e. kecamatan, or kelurahan at the urban area and desa for villages. With the help of facilitators, the communities will establish either ad-hoc committees or strengthen existing organizations within a very short time. They will elect leaders to represent their interests and be their representatives for any discussion.
- Community Self Survey (community mapping). This activity aims at assessing their own conditions regarding the damages/losses, needs and priorities. In the absence of reliable record, it could also provide much of the basic information needed for the various interventions for both the rehabilitation and reconstruction phases in all sectors.
- Community Action Planning. The facilitators, together with the ad-hoc committees, will develop a short-term program (Program Jangka Pendek, PJP), with input from all residents and prioritize the various needs of the communities

for the first six months. The plan is expected also provide important feedback for site layout plans and other complementary basic infrastructure and social superstructure services for other sectoral interventions. As the capacity of the participants increase and they gain experience and confidence through the implementation of PJP, these CBOs are expected to facilitate preparation of a longer term reconstruction plans (PJMs) for their own kecamatan, village and kelurahan for longer terms (2-3 years). Based on the experience of successful poverty reduction projects in Indonesia, community block grants with a ceiling of Rp.300 million average per grant will be put in place for complementary basic infrastructure and social infrastructure at the community level.

G. Construction Sector Management

Enormous demand for housing construction materials and skilled labors may become the bottlenecks. Initiatives will be taken to support the training of skilled construction workers (e.g. masons, carpenters, plumbers and electricians) in coordination with the existing vocational training programs and through on-the job training on reconstruction sites.

The government will review the supply of key building materials including cement, sand, gravel and timber. The localized nature of the disaster has not severely impacted the overall situation of construction materials supply. However, in case of critical supply shortage problems, the Government may take specific actions to facilitate expanded imports by easing regulation and granting incentives to local enterprises to work in the affected areas.

H. Monitoring and Evaluation Systems

Establishment of Monitoring and Evaluation Systems (M&E systems) has two objectives as follows:

- To ensure due diligence and accountability; and,
- To enhance effective donor coordination and minimize risk of duplication and double-counting

Establishing a clearing house (Posko) for donor coordination is regarded as a parallel initiative with the M&E systems establishment. Technical assistance will be sought to guide the national and local governments in establishing a shared checklist and indicators to monitor the progress in the Human Settlements Rehabilitation and Reconstruction Program. Staff will be assigned at both the national and local government t levels that will operate and update the M&E systems throughout the reconstruction stages. The Government will establish common reporting formats coherent with the requirements of the newly established Board for Coordination of Implementation (Badan Koordinasi Pelaksana/BKP).

I. Augmenting Administrative Capacities

Local governments will play key role in reconstruction of local infrastructure such as internal minor roads, pathways, solid waste management and street lighting. Proper management of housing reconstruction activity will require a substantial boosting of

administrative capacity at all levels, particularly at the local government level. As part of the recovery process, the local governments will be assisted to develop and mainstream consultative and inclusive strategies for rehabilitation and reconstruction. Administrative and technical skill assessment of the remaining staff will be carried out to evaluate projected needs and compare this to available personnel. This will lead to defining a staffing strategy for the next five years. Strategy covers phased (short- and medium terms) plans for filling the identified gaps (e.g. transfers and secondments and recruitment of contract staff and consultants, technical assistance).

IV. Institutional Arrangements and Implementation Mechanism

A. Overall Arrangements.

The Government is currently formulating the overall implementation arrangements for the Reconstruction Program for Aceh. Directly under the Office of the President, “Aceh Reconstruction Implementation Agency (Badan Koordinasi Pelaksana, BKP)” will be set up as the center point of inter ministerial coordination for all programs, including the housing sector.

Evidently, the proposed Human Settlements Rehabilitation and Reconstruction Program is an integral and major part of the overall Reconstruction Program for Aceh. Institutional and reporting arrangements for the Human Settlements Rehabilitation and Reconstruction Program will align with those being formulated for the BKP.

Modalities for the delegation of authority, communication of decisions and approvals among different levels of governance (national, provincial, city/villages and communities) will be coherent with those envisaged for the overall BKP. Same Monitoring and Evaluation (M&E) and reporting format will be applied in each locality to facilitate data aggregation and timely reporting to higher authorities.

B. Implementation and Coordinating Arrangements.

National Housing Steering Committee, an advisory committee on matters related to land and housing reconstruction of Aceh will be established to serve as the policy-making and advisory body for the Program. The membership of the Committee will comprise of the representatives from the relevant sectors. At each subsequent level of governance (provincial, local government), a coordination committee will be convened and the membership will be the provincial/local government level equivalent of the participating sectors of the National Steering Committee and selected representatives of civil society organizations relevant to the Program.

As a policy-making body on matters related to human settlements reconstruction activities, the National Steering Committee will have the overall responsibility for selections of donor-funded assistance packages, donor coordination, allocations of the necessary funding at the national level. These decisions are communicated to the BKP. Local Housing Steering Committees, to be established in each local government, will be responsible for reviewing the implementation progress at the local government level and advising the relevant sectors on the necessary technical measures to revolve issues that

arise in the field. As for issues that cannot be resolved at the local government level and those require policy and regulatory interventions at a higher level, they will be reported to the National Steering Committee through the Provincial Steering Committee. In this regard, the Provincial Steering Committee will be responsible for consolidating all the local government level issues and report back to the National Steering Committee.

For the overall implementation, a Program Management Unit (PMU) will be established. The PMU will be located at the provincial capital under the auspices of the BKP. The Head of the PMU (Program Manager), appointed by the BKP. Under the overall policy guidance of the National Steering Committee, the Program Manager will be responsible for the oversight of the program implementation and will report directly to the BKP on the implementation progress. The District Management Teams will be established in 15 cities and regencies. Proposed core staff including the following positions:

- Local/District Program manager;
- Technical coordinator;
- Materials advisor;
- Civil engineer;
- Financial specialist/accountant; and,
- Architect-Planner

PMU will be supported by a team of consultants assigned both at the provincial and the local/district level (local and international, short-and long-term, hired through different funding sources- Government and Donor funds), to be led by the Team Leader. The Team Leader will be reporting to the Program Manager of the PMU. The consultants will be assigned both at the provincial PMU office and at the District Management Teams to provide technical advisory support during implementation. (see detailed chart in Annex 4 and Annex 5)

V. Action Plans

Action Plans are formulated per each area of interventions mentioned in the previous Section IV. Each Action Plan defines required actions (immediate, short- and medium term), compilation of which leads to formulating a Comprehensive Human Settlements Rehabilitation and Reconstruction Program for Aceh.

Donors' support is solicited to help the implementation of these Action Plans. Two types of assistance packages are proposed for guiding better coordination and demarcation of donors' support: (a) thematic interventions (technical assistance-based packages); or (b) financing support for housing grant schemes (grants packages for selected areas).

The first type (thematic interventions, TA-based packages) is to package necessary technical assistance activities per each thematic area. TA activities are geared to assist the Government (at national and local levels) in designing and operationalizing the systems for each thematic area. Proposed thematic areas are:

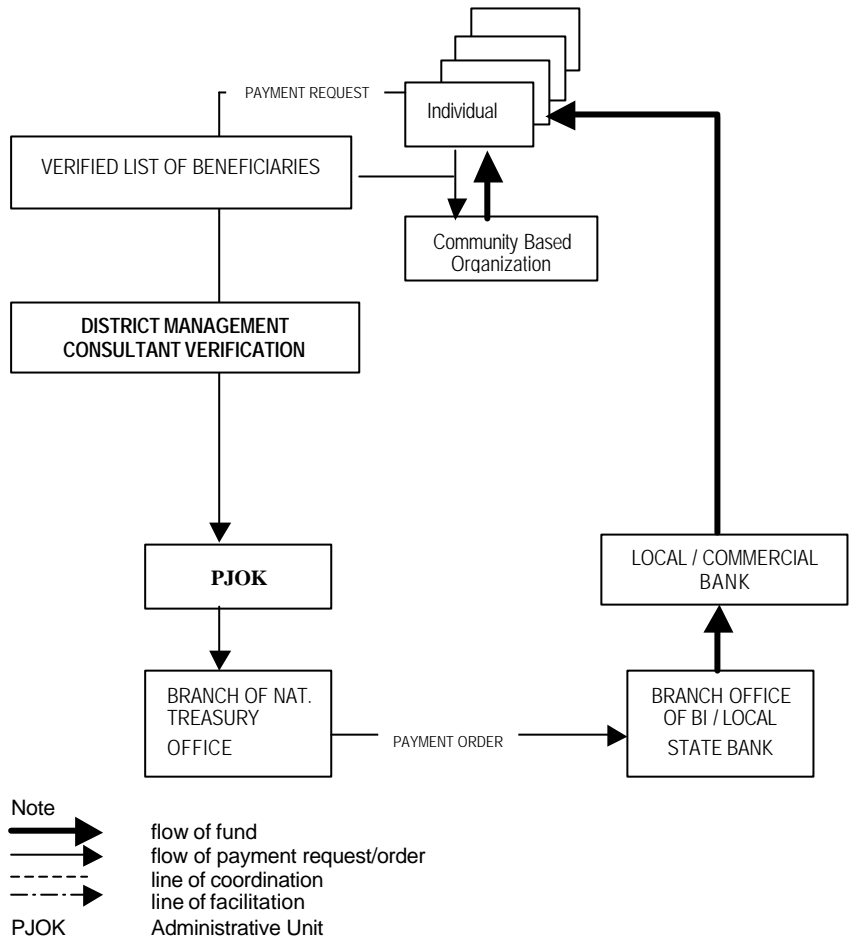
- General Program Management Support;
- Augmenting Administrative Capacities.
- Housing Grant and Loan Schemes

- In-situ Settlement Schemes
- Off-site Settlements Schemes
- Land tenure and property claims
- Land Use Assessment and Spatial Plan
- Community Mobilization (including support for implementation of PJP-short term and medium term)
- Stock & Supply Analysis

The second type (housing grants for selected areas) is financing support for the housing grant schemes. Interested donors may share financing needs for the proposed housing grant schemes. The pledged amount is matched with the selected areas depending on the size and amount required. Supplementary technical assistance activities may be included, but these activities are expected to follow general operating frameworks designed through the above TA packages (the first type of assistance).

Donors will be invited to express the areas/themes of interest and the preferred types of assistance (TA-based packages or housing grant financing support). Once pledges and demarcation are agreed upon, the donors will initiate project preparation activities based on the framework presented in the Action Plan, attached in Annex 1 of this Strategy. Of the highest and most urgent priority is to mobilize “General Program Management Support (recruitment of a team of consultants/technical advisors)” to establish and operationalize the general program implementation arrangements.

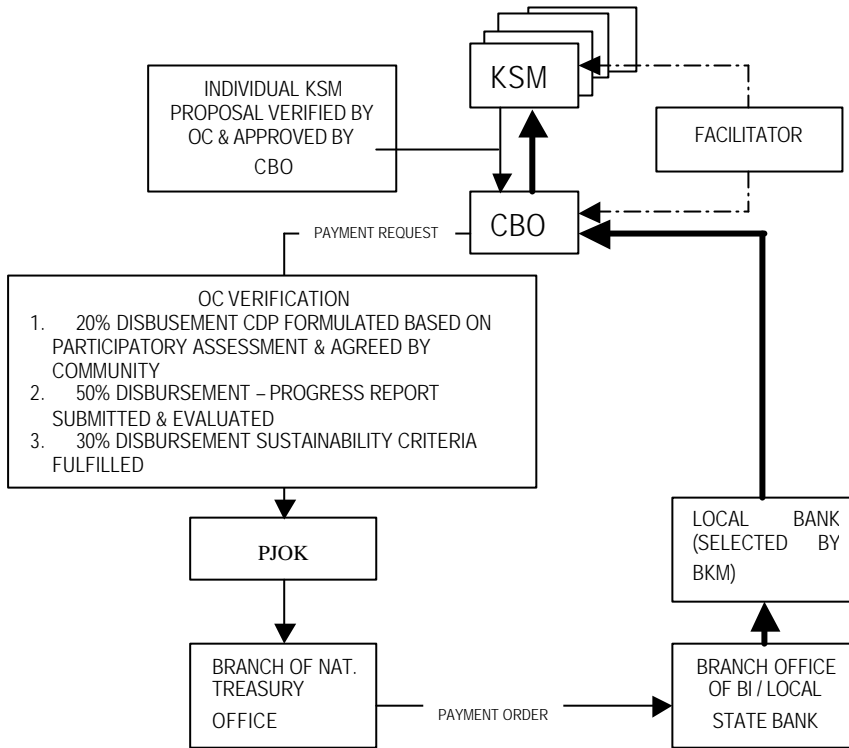
Annex 2: FLOW OF FUNDS MECHANISM FOR HOUSING FINANCING



Suggested Mechanism for Housing Financing

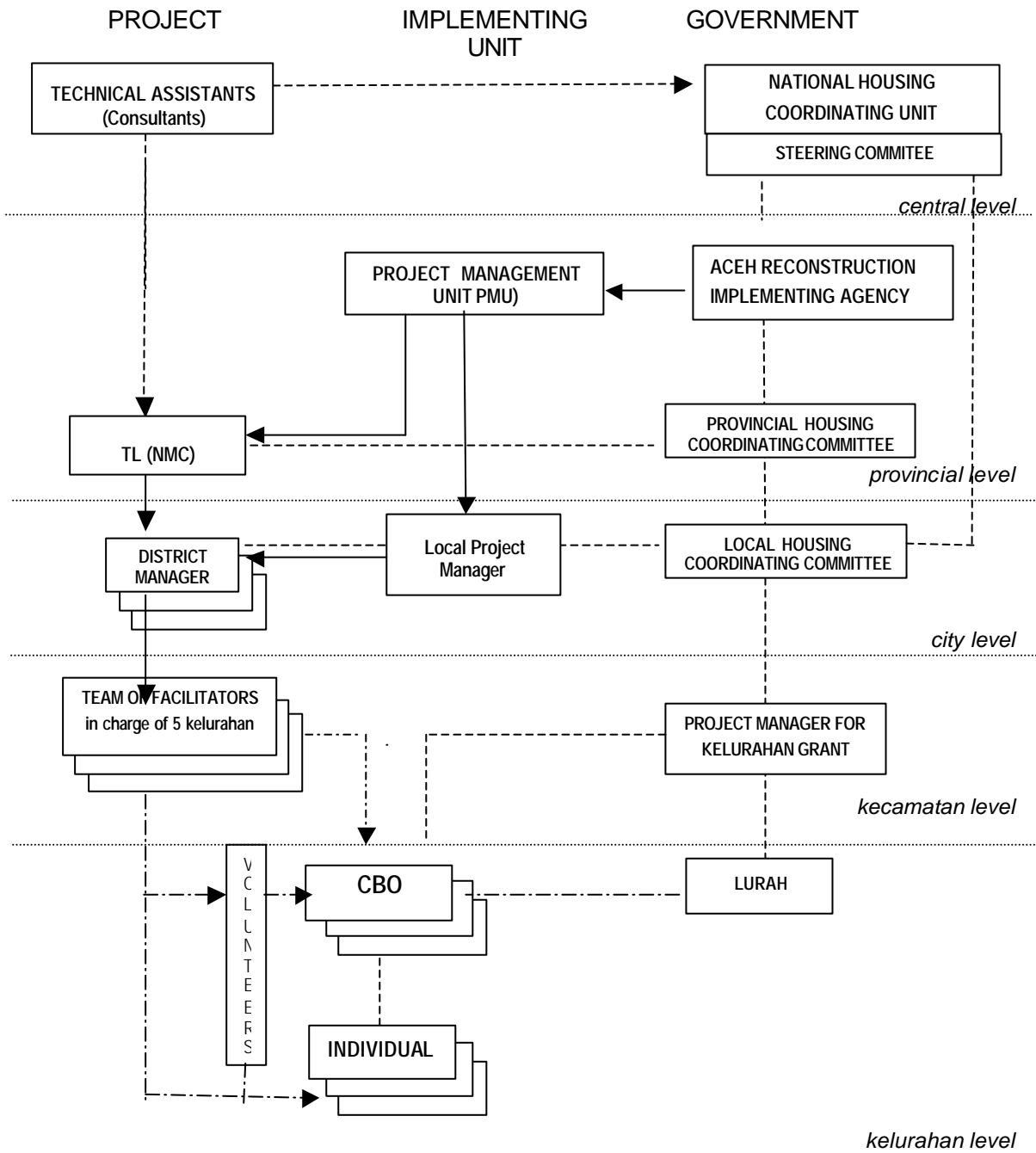
1. Community and facilitator establish a list of residence in village
2. Identify and verify the owner of the houses
3. Carry out survey and assessment of damage to determine the category rehabilitation or new
4. Prepare list of eligible of each category
5. Verification by facilitator and government officer
6. Signing of statement letter by individual
7. Final Checking by District Management Consultant
8. Submit proposal to local bank
9. Bank open account for each individual in the list
10. Central government release first trenches of fund to Commercial Bank
11. Fund transferred to individual account
12. Individual withdraw funds
13. Individual starts construction
14. Bimonthly updating of progress by community and facilitator
15. Upon verification, individual requests subsequence trenches

Annex 3: FLOW OF FUNDS MECHANISM FOR INSITU SETTLEMENT SCHEME



- Note**
- flow of fund
 - flow of payment request/order
 - line of coordination
 - line of facilitation
- OC
PJOK
CBO
KSM
BI
- Oversight Consultant
Administrative Unit
Community Based Organization
Self Help Group
Bank of Indonesia (Central Bank)

Annex 4: IMPLEMENTATION STRUCTURE



- ▶ line of control
- - -▶ line of facilitation
- - - line of coordination

PMU Program Management Unit
 NMC National Management Consultants
 CBO Community Based Organization

Annex 5: TECHNICAL SUPPORT FOR IMPLEMENTATION STRUCTURE

