

## MDF-JRF Working Paper Series: Lessons Learned from Post-Disaster Reconstruction in Indonesia



# Adapting Community Driven Approaches for Post-Disaster Recovery: Experiences from Indonesia

A group of women working on a village road being constructed through the Kecamatan Based Reconstruction and Rehabilitation Planning Project in Nias.

*Photo: Akil Abduljalil*



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# Adapting Community Driven Approaches for Post-Disaster Recovery: Experiences from Indonesia

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Jakarta 12910, Indonesia  
Tel : (+6221) 5299-3000  
Fax : (+6221) 5299-3111

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This paper, Working Paper 1 in the series, is entitled *Adapting Community Driven Approaches for Post-Disaster Recovery: Experiences from Indonesia*. The paper is based on research and background text written by Puteri Natalie Watson and John Victor Bottini, World Bank consultants. Shamima Khan provided general guidance, support and oversight of the entire writing and production process. Anita Kendrick managed the development and preparation of the paper and provided editorial oversight and guidance to the production and content. Scott Guggenheim (Social Policy Adviser, AusAID) and Janmejay Singh (Senior Social Development Specialist, World Bank) provided useful and extensive comments on the text as peer reviewers. Additional comments were provided by Mary Ann Brocklesby and Helen Vanwel, MDF consultants. Sharon Lumbantobing guided the production process, and Kate Redmond and Devi Asmarani provided editorial support.

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Tel : (+6221) 5299-3000

Fax : (+6221) 5299-3111

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# THE MDF-JRF WORKING PAPER SERIES

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The Multi Donor Fund for Aceh and Nias (MDF) and the Java Reconstruction Fund (JRF) are widely recognized as having played a significant role in the remarkable recovery of Aceh, Nias and Java, following some of the worst disasters in Indonesia over the last decade.

The MDF and the JRF, which is patterned after it, are each considered a highly successful model for post-disaster reconstruction. Key factors in this success have been the leadership provided by the Government of Indonesia and the strong partnership of multiple stakeholders in support of the government's reconstruction agenda. The two programs have produced impressive results, both in terms of physical reconstruction, and in the less tangible but equally important benefits such as community empowerment, strengthened governance, and communities that are more resilient to future disasters. The experiences of the MDF and JRF have generated many useful lessons and created effective models and approaches that can be adapted and replicated in other reconstruction contexts.

The Secretariat of the MDF and JRF, as part of its culminating activities, has prepared a series of working papers to document these achievements and lessons learned. The ***MDF-JRF Working Paper Series: Lessons Learned from Post-Disaster Reconstruction in Indonesia*** consists of five working papers covering five key areas. These are: 1) community driven approaches for post-disaster recovery; 2) capacity building in a post-disaster context; 3) reconstruction of infrastructure; 4) promoting gender equality and women's empowerment through post-disaster reconstruction; and 5) multi-donor trust funds as a framework for effective partnerships for reconstruction. Each Working Paper describes the strategy and approaches adopted by the MDF and/or JRF across its projects, notes the achievements, and draws lessons that will be useful in other post-disaster settings. In addition to the full working papers, a series of Knowledge Notes has also been prepared, providing a short summary of the key lessons and conclusions from each of the longer working papers.

This paper, Working Paper 1 in the series, is entitled ***Adapting Community Driven Approaches for Post-Disaster Recovery: Experiences from Indonesia***. It presents the lessons from the MDF and JRF's use of large-scale, government-implemented community driven development programs to deliver reconstruction at the village level in Aceh, Nias and Java. This paper documents how local-level recovery using a community driven approach can result in not only cost effective physical outputs, but also empowered communities with greater capacities and more prepared to face future disasters. Based on the MDF and JRF experiences, the paper draws lessons and conclusions about adapting the community driven approach to reconstruction in other contexts.

Collectively, the lessons and experiences from the MDF and JRF form a legacy of the remarkable achievements of these two programs and the effective partnerships on which they were based. We hope that the lessons captured in these papers will contribute to future reconstruction and preparedness efforts in Indonesia and other disaster-prone countries around the world.

Shamima Khan  
Manager  
The Multi Donor Fund for Aceh and Nias  
The Java Reconstruction Fund  
December 2012

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# THE DISASTERS - A MAP OF INDONESIA







## A SERIES OF DISASTERS IN INDONESIA

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Indonesia is one of the most disaster prone countries in the world. It is vulnerable to earthquakes, tsunamis, landslides, floods, volcanic eruptions, and wildfires. Between 2004 and 2010 Indonesia experienced a series of devastating natural disasters which attracted an outpouring of support from around the world.

### December 2004—Earthquake and Tsunami in Aceh

The earthquake and tsunami that struck Indonesia and several other countries in the Indian Ocean region on December 26, 2004 was one of the worst natural disasters in recorded human history. The massive earthquake measuring 9.1 on the Richter scale was centered in the Indian Ocean about 150 kilometers off the coast of the province of Aceh on the northernmost tip of the island of Sumatra. Huge tidal waves fanned across the Indian Ocean, causing death and destruction across Southern Asia including Thailand, Bangladesh, Sri Lanka, India, and as far away as East Africa. No country suffered more than Indonesia. Waves towering ten meters high came crashing into the shoreline in Aceh. The scale of physical devastation and human suffering was enormous. In Aceh alone, 221,000 people were killed or missing, and over a half million were left homeless. As many as 750,000 people lost their livelihoods. At all levels, infrastructure was paralyzed or completely destroyed.

In minutes, human settlements along the coastline of Aceh and parts of North Sumatra were demolished. People, houses, boats, cars, and buildings were engulfed as the tsunami swallowed everything in its way. Villages were reduced to rubble where minutes before thriving communities had flourished. Many roads, bridges, communications systems, schools, hospitals and clinics collapsed or were severely damaged. Fishermen, farmers and others lost their livelihoods and many businesses were destroyed or could no longer operate.

The subsequent assessment of the impact of both disasters, conducted by the Government along with the World Bank and other partners, assessed the damage and needs to be US\$4.9 billion.<sup>1</sup> This figure was later revised to \$6.2 billion.

The massive destruction in Aceh seriously affected provincial and local governments already weakened by years of conflict. The tsunami destroyed 21 percent of public buildings and 19 percent of the equipment in these buildings. Approximately nine percent of civil servants perished and at least 21 percent of surviving civil servants were severely affected, impacting their ability to function as a local government. Twenty-seven percent of public records were destroyed. The replacement value of these losses was estimated to be over \$81 million.

Prior to the tsunami, governance in Aceh already faced numerous challenges, including lack of institutional capacity and inefficient delivery of public services such as health and education, especially in the rural areas. The tsunami exacerbated these challenges to say the least, and the

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<sup>1</sup> All \$ amounts in this report refer to US dollars.



Many people were saved from the tsunami by taking refuge in Aceh's Grand Mosque. They could only watch helplessly as the torrent raged through the streets, carrying debris and victims along with it.

*Photo:*  
*Antara News*  
*Agency*

provincial and local governments were not in a position to manage the immense and extensive recovery effort that would be required. The national government stepped in urgently to take the lead in the reconstruction process.

### **March 2005—Earthquake in North Sumatra and Aceh**

Just three months later on March 28, 2005, another massive earthquake measuring 8.7 on the Richter scale struck Aceh and the neighboring province of North Sumatra. This quake devastated the Nias islands in the province of North Sumatra, located in the Indian Ocean 130 kilometers off the western coast of Sumatra just south of Aceh. The island of Simeulue, part of the province of Aceh off the western coast of the mainland, was also hard hit. This second disaster resulted in the death of nearly 1,000 people and the displacement of nearly 50,000 survivors. The earthquake wreaked more havoc on an already ravaged area. The physical damage was severe. Approximately 30 percent of buildings were destroyed. The destruction rendered transportation and other critical infrastructure inoperative, including the major ports linking the remote island populations with the mainland. Nias and Simeulue stood among the poorest areas of Indonesia prior to the disasters and were only further isolated by the destruction of the earthquake.

These two disasters devastated two areas of Indonesia that were already grappling with multiple challenges. The province of Aceh was in the grip of an internal conflict between the Acehese



Many roads, bridges, communication systems, school and other infrastructure collapsed or sustained such serious damage that they could no longer be used as the result of the disasters. Much of the coastline of Aceh was swallowed by the sea and most ports were annihilated.

Photo:  
IREP-IRFF  
Team

separatist rebel movement and the Indonesian military. This conflict, stretching over thirty years, had paralyzed development and economic growth, and had seriously weakened both public and private sector capacities. At the time of the December 2004 tsunami, poverty in Aceh was 28.4 percent, substantially higher than the national average of 16.7 percent (*Aceh Poverty Assessment*, World Bank: 2008). The districts of Nias and South Nias on Nias Island ranked among the poorest districts in Indonesia. Poverty, largely attributable to the isolation of the island, was approximately 31 percent at the time of the March 2005 earthquake.<sup>2</sup> These dual challenges of poverty and isolation created an extremely difficult operating environment for reconstruction in Nias.

The local governments, already weakened by the conflict in Aceh and isolation in Nias, were initially overwhelmed by the disasters. Recognizing this, and recognizing the magnitude of the reconstruction task at hand, the central government created the Agency for the Reconstruction and Rehabilitation of Aceh and Nias (*Badan Rekonstruksi dan Rehabilitasi Aceh dan Nias*, widely known as the BRR) to manage reconstruction. This special agency was based in Aceh and led by a minister-level appointee who reported directly to the President.

<sup>2</sup> Indonesia Central Statistics Agency National Social Economics Survey 2005-2007



## May 2006—Earthquake in Java

Disaster again struck Indonesia on May 27, 2006, when an earthquake measuring 5.9 on the Richter scale hit the island of Java, resulting in extensive damage in the province of Central Java and the Special Region of Yogyakarta. The earthquake hit one of the most densely populated areas in Asia, claiming more than 5,700 lives and destroying over 280,000 homes. Damage to private houses made up more than 60 percent of the total destruction, which also affected small and medium enterprises, a large number of them home-based industries. While infrastructure suffered comparatively less damage, hundreds of thousands of homes and smaller structures were destroyed.

Many houses in the area had been built without proper reinforcement and with low quality building materials, resulting in more deaths and damage than would normally be expected from an earthquake of this magnitude. Approximately 40,000 people were injured in the earthquake. Thousands of people were trapped and buried beneath their toppled houses and buildings.

A joint team led by the National Development Planning Agency (Bappenas), with local governments and the international community, prepared the preliminary Damage and Loss Assessment in order to determine the overall needs for the rehabilitation and reconstruction phase. Total damage and losses from the earthquake were estimated at around \$3.1 billion.

The economic impact of the earthquake was particularly heavy because of the concentration of home-based industries in the areas destroyed by the earthquake. More than 650,000 workers were employed in economic activities directly affected by the earthquake with close to 90 percent of damage and losses concentrated in small and medium enterprises. Many of the home-based industries in the area's important handicraft sector were severely affected. Rebuilding homes would also support recovery of home-based businesses and livelihoods.

## July 2006—West Java Tsunami

Just two months later, on July 17, 2006, a second major submarine earthquake struck off the southern coast of Java. The earthquake, measuring a magnitude of 7.7 on the Richter scale, triggered a tsunami that caused widespread damage. The tsunami hit the south coast of West Java, taking more than 650 lives and displacing over 28,000 people. Almost 1,000 people died or remained missing and more than 50,000 people were displaced. Damage and losses reached an estimated \$112 million. Ciamis district, West Java, was the worst affected. Along the coast of Ciamis alone, close to 6,000 families were displaced. The tsunami caused economic destruction in the fishing villages and tourist resorts along the south coast of West Java, where large numbers of fishing boats were lost and the small fishing ports destroyed.

## October and November 2010—Mount Merapi Volcanic Eruptions

On October 26, 2010, disaster hit Java once again when Mount Merapi, a volcano located on the border between Yogyakarta and Central Java, erupted. This was followed by seven additional major eruptions, with the last one occurring on November 11, 2010. For two long weeks, the eruptions

spewed hot gas into nearby villages and hot lava accompanied by hot gas flowed into several rivers. The clouds of hot ash and poisonous gas combined with heat clouds at temperatures of 600 to 800 degrees Celsius incinerated everything they reached, including livestock, crops and trees that were essential to the livelihoods of evacuees. Ash rain, which blanketed everything in fine volcanic dust, was found in cities across Java. All villages within 20 kilometers of the crater were evacuated. Along with massive damage to local infrastructure, approximately 2,900 houses were destroyed and 350,000 people were displaced and accommodated in evacuation camps. Due to timely evacuation, casualties were limited but still almost 300 people perished and more than 500 were injured. The eruptions impacted areas in the province of Central Java and the Yogyakarta Special Region, including some communities that had been affected by the 2006 earthquake and were still in the process of rebuilding.

These eruptions resulted in widespread damage to housing and local infrastructure, as well as loss of livelihoods. During the eruptions, volcanic debris mixed with rain flowed down the slopes of Mount Merapi as massive mud flows. In Java this is known as "*lahar dingin*" or cold lava and is made up of ash and sand from the eruption which when combined with rain turns into thick, slushy rivers of mud that gather up everything in the way. Cold lava surged down the mountain burying entire villages, farms and fields. Huge boulders, trees, houses, livestock, motor bikes, and cars were carried away by the mud. Several villages located in the danger zone near the volcano were relocated to safer areas.

## Facing the Future

The numerous disasters since 2004 are a stark reminder that Indonesia is highly prone to natural hazards. Improvements in early warning systems are expected to save lives, as will ensuring that homes and other structures are built to seismic resistant standards. Many of the homes destroyed during the earthquakes were found to have used poor quality materials and building techniques, both of which contributed greatly to the number of lives lost and the high level of damage. Through the recovery and reconstruction efforts following these disasters, Indonesia has learned many lessons. It has created institutions and put systems in place for disaster risk reduction. As a result of the recovery and reconstruction process communities across Aceh, Nias, and Java are more resilient to face future disasters.

## ABOUT THE MULTI DONOR FUND FOR ACEH AND NIAS (MDF)

The Multi Donor Fund for Aceh and Nias (MDF) was established in April 2005, in response to the Government of Indonesia's request to coordinate donor support for the reconstruction and rehabilitation of affected areas following the December 2004 earthquake and tsunami, and the subsequent March 2005 earthquake.

The MDF pools \$655 million in contributions from 15 donors. These funds amount to nearly ten percent of the overall reconstruction funds. At the request of the Government of Indonesia, the World Bank serves as Trustee of the MDF. Grant funds are provided to projects which are implemented by government and non-government agencies and communities, with partner agencies providing oversight. Partner agencies include the United Nations Development Programme (UNDP), the World Food Programme (WFP), the International Labour Organization (ILO) and the World Bank.

Under the MDF portfolio, 23 projects were financed in six outcome areas: (1) Recovery of Communities; (2) Reconstruction and Rehabilitation of Large Infrastructure and Transport; (3) Strengthening Governance and Capacity Building; (4) Sustaining the Environment; (5) Enhancing the Recovery Process; and (6) Economic Development and Livelihoods. These projects reflected the priorities of the Indonesian government throughout the reconstruction process.

The MDF was coordinated by the Government of Indonesia, initially through the Agency for the Rehabilitation and Reconstruction of Aceh and Nias (BRR), which was set up to manage the reconstruction and recovery effort. After the BRR closed in April 2009, the National Development Planning Agency, Bappenas, took on this critical role. The MDF is governed by a Steering Committee with representatives from the government, donors, the trustee, and civil society. The Steering Committee is supported in its work by a secretariat.

### MDF Contributions

MDF Donors	Contributions (US\$ million)
European Union	271.31
Government of the Netherlands	146.20
Government of the United Kingdom	68.50
World Bank	25.00
Government of Sweden	20.72
Government of Canada	20.22
Government of Norway	19.57
Government of Denmark	18.03
Government of Germany	13.93
Government of Belgium	11.05
Government of Finland	10.13
Asian Development Bank	10.00
Government of the United States	10.00
Government of New Zealand	8.80
Government of Ireland	1.20
<b>Total Contributions:</b>	<b>654.67</b>

The MDF provides a successful model for post-disaster reconstruction based on partnerships between government, donors, communities and other stakeholders. The partnerships created by the MDF have played a key role in the strong performance of the program and robust results achieved. Pooling resources through the MDF has resulted in the harmonization of donor efforts and provided an important platform for policy dialogue for many stakeholders. The MDF has filled gaps in the reconstruction in line with government priorities and has brought together key government players, donors, and members of civil society and communities. The MDF's strong support for coordination of the overall reconstruction effort has resulted in huge multiplier effects so that the MDF's impact has been able to exceed the value of its contributions.

## The MDF Portfolio

The MDF's portfolio was designed to meet the changing needs of Aceh and Nias as they progressed from recovery to rebuilding infrastructure to laying the foundations of economic development. Consisting of 23 projects in six outcome areas, the projects were implemented by government and non-government partners, including national and provincial governments, agencies of the United Nations, international development institutions, and non-governmental organizations. Environmental sustainability, gender, capacity building and disaster risk reduction were important cross-cutting elements of the MDF program throughout its life cycle.

### 1. Recovery of Communities (5 projects totaling \$202 million)

The first group of MDF projects supported recovery of communities, with a focus on housing and local infrastructure. Using a community-driven approach and implemented by government, these programs enabled disaster survivors to re-establish their communities and begin rebuilding their lives.

- The **Community-Based Settlement Rehabilitation and Reconstruction Project**, better known as Rekompak, used a community driven approach to rebuild homes and local infrastructure in Aceh and Nias. Implemented by the Ministry of Public Works (MPW) and managed by the World Bank, Rekompak rebuilt nearly 15,000 houses and restored basic infrastructure to 180 villages.
- The **Community Recovery through the Kecamatan Development Project (KDP)** was part of a national program and partly funded by the MDF. Through KDP, the MDF assisted communities in Aceh and Nias to plan and manage the reconstruction of rural infrastructure, schools, clinics, and other public buildings. It also provided business training and loans. The project was implemented by the Ministry of Home Affairs (MoHA) and managed by the World Bank.
- The **Community Recovery through the Urban Poverty Program (UPP)** provided support for reconstruction to urban communities to rehabilitate and develop community infrastructure in municipalities in Aceh. UPP repaired urban infrastructure, rebuilt schools and other public buildings, and provided scholarships. The project was implemented by the MPW and managed by the World Bank.



- The **Kecamatan-Based Reconstruction and Rehabilitation Planning in Nias Project (KRRP)** was a community-based recovery and planning project for reconstruction in Nias. Implemented by the MoHA and managed by the World Bank, it rebuilt houses, schools, public buildings, and village infrastructure.
- The **Reconstruction of Aceh Land Administration System (RALAS)** restored land property rights and a computerized land records management system. Over 220,000 land title certificates were issued, nearly one-third to women. The project was implemented by the National Land Agency (BPN) and managed by the World Bank.

## 2. Recovery of Large Infrastructure and Transport (7 projects totaling \$217 million)

The MDF, working in partnership with the Government of Indonesia, contributed significantly to the reconstruction of large infrastructure in Aceh and Nias. These projects restored transportation links and critical infrastructure, thereby improving people's lives and providing new economic opportunities.

- The **Banda Aceh Flood Mitigation Project (BAFMP)**, implemented by Muslim Aid and managed by the World Bank, repaired pumping stations, flood valves, and drainage systems damaged by the tsunami to protect the central business area of Banda Aceh from storm and tidal flooding.
- The **Infrastructure Reconstruction Enabling Program (IREP)** and its companion project, the **Infrastructure Reconstruction Financing Facility (IRFF)**, planned, designed, and built strategic infrastructure such as roads, water systems and bridges in Aceh and Nias. Co-financed by BRR, the projects were implemented by the MPW and managed by the World Bank.
- The **Lamno-Calang Road Maintenance Project (LCRMP)** maintained a key road from Lamno to Calang to ensure overland access to tsunami-affected communities on Aceh's west coast. The project was implemented by the UNDP.
- The **Sea Delivery and Logistics Programme (SDLP)** met the urgent recovery transportation needs for construction materials in Aceh and Nias. Implemented by the WFP, it also provided training for better management of ports and disaster-risk reduction.
- The **Tsunami Recovery Port Redevelopment Programme (TRPRP)** rehabilitated damaged ports in Aceh and Nias so that equipment and materials could be supplied to isolated communities. The project, implemented by the UNDP, also provided designs and technical support for reconstructing major sea ports.
- The **Rural Access and Capacity Building Project (RACBP)** helped residents of participating districts in Nias effectively use improved rural transport infrastructure and services to take advantage of economic opportunities and social services. Implemented by the ILO, it also included a cultural heritage component.

### **3. Economic Development and Livelihoods (2 projects totaling \$58 million)**

Restoring livelihoods is an important part of disaster recovery. These projects strengthened important sectors that provide employment and income to Aceh and Nias, paving the way for long-term economic growth.

- The **Aceh Economic Development Financing Facility (EDFF)** promoted post-tsunami economic recovery. Managed by the World Bank, the EDFF was implemented by the Ministry for Development of Disadvantaged Areas (KPDT) and the Government of Aceh. The project provided sub-grants to support growth in key sectors including coffee, cocoa, rice, meat and fisheries.
- The **Nias Islands Livelihoods and Economic Development Program (LEDP)** provided training to improve technical and business skills for livelihoods and overall economic development. Implemented by KPDT and managed by the World Bank, the project also developed skills within local government for implementing livelihoods programs in Nias.

### **4. Strengthening Governance and Capacity Building (3 projects totaling \$40 million)**

The MDF encouraged good governance and strengthened the capacity of local communities and district governments. It encouraged the development of civil society organizations involved in the reconstruction process.

- The **Capacity Building for Local Resource-based Rural Roads (CBLR3)** strengthened the capacity of district government and small-scale contractors to undertake local road works. The project was implemented by the ILO.
- The **Support for Poor and Disadvantaged Areas Project in Aceh and Nias (SPADA)** project, implemented by KPDT and managed by the World Bank, strengthened local participation in development planning, promoted private investment and job creation, and improved health, education and dispute resolution services. The project complemented a national program funded by a World Bank loan.
- **Support to Strengthen the Capacity and Role of Civil Society Organizations (CSO)**, implemented by the UNDP, built the capacity of local civil society organizations in Aceh and Nias to enhance grass-roots participation in the reconstruction process.

## 5. Enhancing the Recovery Process (4 projects totaling \$56 million)

In order to strengthen government capacity to manage the recovery effort, the MDF provided technical assistance and operational support to BRR and other government agencies.

- The **Aceh Government Transformation Programme (AGTP)** provided strategic support to the government of Aceh to provide the capacity and institutional strength to take over projects, resources, and assume oversight of reconstruction and recovery programs after the closure of BRR in April, 2009. The project was implemented by the MoHA and Provincial Government of Aceh and managed by the UNDP.
- **Making Aceh Safer through Disaster Risk Reduction in Development (DRR-A)** established disaster risk reduction in Aceh's local government agencies, its public and private partners, and local communities. The project was implemented by the MoHA and Provincial Government of Aceh, and managed by the UNDP.
- The **Nias Island Transformation Programme (NITP)**, managed by the UNDP and implemented by the MoHA and local governments in Nias, enhanced district capacity to successfully complete the recovery process and reduce risks from future natural disasters.
- **Technical Assistance to the BRR and Bappenas (TS-R2C3)**, managed by the UNDP, the project supported BRR in managing the overall recovery process. After BRR closed in April 2009, the project worked with Bappenas and was referred to as Rehabilitation and Reconstruction Completion and Continued Coordination (TS-R2C3).

## 6. Sustaining the Environment (2 projects totaling \$57 million)

Throughout the recovery process, the MDF committed to protecting the environment. The MDF played an important part in post-disaster cleanup and long-term waste management. It also worked to protect the ecosystems of Aceh and Nias.

- The **Tsunami Recovery Waste Management Programme (TRWMP)** helped local government clear, recycle and dispose of tsunami waste, rehabilitate waste management infrastructure, and implement sustainable solid waste management systems. It also promoted livelihoods related to waste management. The project was implemented by the UNDP.
- The **Aceh Forest & Environment Project (AFEP)** worked closely with communities, civil society and government to protect the Leuser and Ulu Masen forests from illegal logging and promoted sustainable forest management. Managed by the World Bank, the project was implemented by Fauna & Flora International (FFI) and Leuser International Foundation (LIF).

## ABOUT THE JAVA RECONSTRUCTION FUND (JRF)

Following a request from the Government of Indonesia, the Java Reconstruction Fund (JRF) was established to respond to the May 27, 2006 earthquake that struck near Yogyakarta, and the tsunami that hit the southern coast of West Java Province in July 2006. The JRF was later extended to respond to volcanic eruptions of Mount Merapi in October and November of 2010. The JRF program closed on December 31, 2012.

The JRF is based on the successful model of the Multi Donor Fund for Aceh and Nias. Seven donors supported the JRF with contributions totaling \$94.1 million. The donors are: the European Union, the Governments of the Netherlands, United Kingdom, the Asian Development Bank, Canada, Finland and Denmark. The World Bank serves as Trustee of the JRF. Following the government's priorities, the JRF supports the recovery of communities and livelihoods, and increases disaster preparedness.

The JRF was coordinated by the Government of Indonesia, initially through the Government's National Coordinating Team (NCT) and the National Technical Team (TTN). After the mandate of the NCT and the TTN ended in 2008, the JRF worked with the National Planning Agency (Bappenas) and the Provincial Planning Agencies (Bappeda) for the overall coordination of the reconstruction.

Using a governance structure similar to the MDF, the JRF was governed by a Steering Committee with representatives from the Government of Indonesia and donors. Bappenas co-chaired the Steering Committee, along with the European Union as the largest donor, and the World Bank as Trustee. The Steering Committee is supported by a secretariat. Through shared staffing and expertise with the MDF for Aceh and Nias, the secretariat achieved efficiencies of scale, resulting in reduced program administration costs.

The JRF portfolio consisted of five projects which drew from the MDF's experience and used a phased approach to address: (1) Transitional Housing; (2) Restoring Housing and Community Infrastructure; and (3) Restoring Livelihoods. The World Bank had a supervisory and oversight role on all JRF projects as the partner agency.

### JRF Contributions

JRF Donors	Contributions (US\$ million)
European Union	51.17
Government of the Netherlands	12.00
Government of the United Kingdom	10.77
Asian Development Bank	10.00
Government of Canada	6.53
Government of Finland	1.99
Government of Denmark	1.60
<b>Total Contributions:</b>	<b>94.06</b>



## The JRF Portfolio

The JRF portfolio followed a phased approach to reconstruction, adopting lessons learned from the MDF. Early support focused on meeting housing and community recovery needs and subsequent support focused on addressing economic recovery. The JRF prioritized disaster risk reduction in all its programs. Five projects were supported:

- **Transitional Housing Projects (2 projects totaling \$2.3 million).** The JRF financed two transitional housing projects, implemented by the International Organisation for Migration (IOM) and Cooperative Housing Foundation (CHF) International and managed by the World Bank. The projects provided nearly 5,000 transitional shelters.
- **The Community-based Settlement Rehabilitation and Reconstruction Project (1 project totaling \$75.1 million),** better known as ReKompak, made up most of the JRF funding allocation. Following the model established in Aceh, it used a community driven approach to rebuild homes and local infrastructure in earthquake affected areas of Yogyakarta Special District, and Central Java, and later, parts of West Java affected by a subsequent earthquake and tsunami. After the 2010 eruptions of Mount Merapi, the project was expanded further. Implemented by the Ministry of Public Works (MPW) and managed by the World Bank, the project rebuilt over 15,000 houses and completed over 4,000 local infrastructure projects.
- **Livelihood Recovery Projects (2 projects totaling \$17.1 million):**
  - **The Livelihood Recovery in Yogyakarta Special District and Central Java project** contributed to the Government of Indonesia's initiatives to assist micro, small and medium enterprises (MSMEs) affected by the earthquake to revitalize their businesses and re-integrate affected low-income communities into economic life. The project provided access to finance, developed loan work-out strategies for defaulting borrowers, restored capacity and improved competitiveness of medium-sized companies in Yogyakarta and Central Java. The project was implemented by the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) and managed by the World Bank.
  - **The Access to Finance and Capacity Building for Earthquake Affected Micro and Small Enterprises** project, implemented by the IOM and managed by the World Bank, supported the recovery of micro and small enterprises in Yogyakarta and Central Java to enable them to reach their pre-earthquake capacity. It provided asset replacement, marketing support, and technical assistance. The project worked with over 4,000 micro and small enterprises (MSEs), over 40 percent run or owned by women.

## EXECUTIVE SUMMARY

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Indonesia's experience following a series of devastating natural disasters between 2004 and 2010 clearly demonstrates the many benefits of using large scale, government-implemented community driven development programs to deliver reconstruction at the village level. In addition to tangible results in delivering quality, cost-efficient physical outputs, the community-based recovery programs implemented in Aceh, Nias and Java have demonstrated less tangible but exceptionally important social benefits in extremely challenging circumstances.

The evidence from Indonesia shows that community driven approaches can be adapted effectively for post-disaster reconstruction to deliver cost-effective, equitable and sustainable local level recovery. The experiences of community recovery projects implemented under the Multi Donor Fund for Aceh and Nias (MDF) and the Java Reconstruction Fund (JRF) demonstrate that disaster-affected communities are able to manage reconstruction resources and projects to high-levels of quality and satisfaction while benefitting from increased confidence and capacities brought by the consultative and participatory approaches. At the same time, the community driven approach encouraged faster social recovery and built capacities that will last well beyond the reconstruction.

### Overview of the MDF and JRF Community Recovery Projects

After the December 2004 tsunami hit the provinces of Aceh and North Sumatra, the Government of Indonesia scaled up and adapted its two ongoing national community driven development (CDD) programs, the Kecamatan Development Program (KDP) and the Urban Poverty Program (UPP), to meet post-disaster recovery needs. The community-based approach of these programs was also extended to large-scale housing reconstruction through a new program widely known by its Indonesian acronym, Rekompak. Over the next few years the community driven model used for reconstruction in Aceh was adapted for the purposes of local level reconstruction in the wake of other disasters.

Through the five projects in the MDF and JRF programs that adopted a CDD approach, communities were empowered to implement physical reconstruction projects, forming community level groups to design and build homes and local level infrastructure. Building on pre-existing projects and institutional mechanisms, it was possible to begin operations quickly following the major disasters that hit Indonesia between 2004 and 2010. Project outputs were on average of equal quality to those built by professional contractors, and were delivered for the same or less cost. Reconstruction activities were based on collective village mapping and spatial planning processes. The projects have

been used to respond to multiple types of disasters, including earthquakes, tsunamis, landslides and volcanic eruptions, and in a post-conflict context, demonstrating that they are flexible and adaptable to local needs. Other activities implemented by the communities through these programs included disaster risk reduction and preparedness, preservation of cultural heritage, and environmental awareness.

In addition to the impressive physical results constructed through these projects, the MDF and JRF experiences have demonstrated many less tangible social benefits. These include faster social recovery from the impact of disasters and increased confidence and capacities of local actors to engage in local level planning. Most importantly, the community driven approach to reconstruction empowers victims of natural disaster to become key agents in their own recovery.

The CDD approach provided the backbone for the five community recovery projects of the MDF and JRF. Together they accounted for more than US\$260 million, representing over one third of the total of the combined allocations of the MDF and JRF.

### **Key Principles of Community Driven Reconstruction**

All five projects applied the same key CDD principles for delivery of local level recovery and reconstruction. Most important among these principles is that a participatory and consultative approach is used by the communities themselves to:

- Identify needs and verify beneficiaries
- Develop community plans and make decisions
- Implement physical construction projects and provide project oversight
- Manage funds

Additional key Community Driven Reconstruction principles include:

- Facilitation by third party consultant facilitators, hired by government
- On-going engagement with and oversight by local authorities
- Transparent accounting of funds and results
- Broad-based participation with a commitment to increasing the involvement of women and other marginal groups
- Demonstrating good governance by attempting to resolve issues at the most local level and providing robust mechanisms for handling complaints

The community driven projects of the MDF and JRF faced a number of challenges and obstacles, all of which provide lessons for future interventions. Some challenges related to the difficult operating environments in post-disaster Aceh, Nias and Java, such as the shortage of local facilitators and difficulties in accessing certain areas, factors common to most post-disaster scenarios. Other challenges were related to the community driven approach itself, including difficulties in ensuring the full participation of women and marginalized groups, and in ensuring continued operations and maintenance of project outputs after the projects close.

## Strengths of the Community Driven Approach to Reconstruction

- **Re-empowers communities devastated by disaster.** By involving communities in the planning and implementation, this approach allows communities to become agents in their own recovery rather than remain simply as victims and recipients of aid.
- **Creates an entry point for local recovery.** The institutional structure of community boards and committees set up through the community driven model provides a platform for communities to engage with outsiders (e.g., government, humanitarian organizations, NGOs) about reconstruction. Other agencies supporting post-disaster recovery were able to leverage the community driven model to engage with communities to identify needs and coordinate resources and activities. Furthermore, the pre-existing project funding arrangements gave central government a mechanism to channel resources directly to local level to meet needs that had been identified by the communities.
- **Serves as an effective tool for identifying beneficiaries and targeting resources.** Community identification of beneficiaries, while a lengthy process, results in the general sense that resources are distributed fairly. This is a great advantage in reconstruction settings where communities often experience sudden influxes of resources at local level at a time when demand is high and coordination is difficult.
- **Leads to average lower cost of outputs.** Community driven reconstruction makes use of local resources, including information, expertise, materials and financial contributions. Furthermore, communities are able to make use of salvaged materials, where contractors are not, resulting in lower unit costs on average.
- **Creates efficiencies in dealing with corruption.** Widely publicized complaint handling systems, sophisticated Management Information Systems (MIS) and local level oversight by elected committees can result in a speedy resolution of cases of alleged corruption and fraud and return of misused funds.
- **Offers a valuable reconstruction asset generated through facilitator networks.** The network of facilitators fielded through the projects can be used to collect local information and data for needs assessments and other purposes benefiting the overall reconstruction.



Public information like this poster board, explaining about reconstruction programs at Girisuko village, Bantul, Yogyakarta ensures transparency and encourages accountability, making the community driven approach more efficient in dealing with corruption.

*Photo:  
Rekompak  
Team*

- **Promotes DRR and community preparedness.** The Rekompak program demonstrates how community driven mechanisms can be used to build resilience to future disasters during the reconstruction process. Community processes enforced earthquake-resistant building standards and can bring communities together to map risks and plan for future disasters.
- **Builds local capacities.** Communities can learn practical skills in planning, construction techniques and bookkeeping, and gain a familiarity in interacting with local governments. A more effective relationship between citizens and local government leads to improved local level planning beyond the reconstruction period.

### Community Recovery Achievements of the MDF and JRF:

- Over 34,600 houses rebuilt or rehabilitated
- More than 3,350 kilometers of roads repaired or constructed
- Nearly 1,900 kilometers of irrigation and drainage repaired/constructed
- 550 schools rebuilt or equipped
- Over 19,000 meters of bridges repaired or reconstructed
- 515 village halls and government offices rebuilt
- 7,000 loans distributed
- 9,500 scholarships distributed
- Over 3,800 villages involved





A KDP field facilitator provides information to the community on project progress in Lahusa, South Nias. Finding and retaining good facilitators is crucial to the success of the community-driven approach, but is difficult when demand is high and circumstances are challenging

*Photo:  
KDP  
Collection*

## Addressing Challenges in the Community Driven Reconstruction Approach

**Long Startup Phase:** Physical reconstruction of houses or local infrastructure could only begin after communities were mobilized, beneficiaries were identified, facilitators were in place and funds were available, meaning that reconstruction seemed to start later when compared to other models of delivery of reconstruction. However, strong involvement of the communities from the beginning of the process leads them to see the dividends starting at the initiation rather than the completion of reconstruction. Expectations of all stakeholders, including government and donors, need to be managed in this process as well.

**Recruitment of Facilitators:** In any reconstruction program skilled technical assistance and facilitation resources are in high demand and short supply. Good facilitators are essential to the success of the community driven approach, with project evaluation documentation reflecting a correlation between the quality of the facilitator and the quality of outputs. This challenge was resolved by adapting the compensation arrangements of facilitators to reflect the difficulties of the environment.

**Participation of Women:** Despite a number of initiatives taken to increase the meaningful participation of women, the quality of women's involvement remained an issue. Obstacles included cultural roles and competing demands on women's time including child care responsibilities. Project designs need to include very practical, prescriptive measures, taking into account local behaviors and practical realities to ensure the active and credible participation of women in all stages of reconstruction.

**Inclusion of Marginalized Groups:** The consultative and participatory processes of CDD lend themselves to consolidating a general, collective opinion of the majority voice in communities. Special attention is therefore needed to identify the specific needs of vulnerable, marginalized or minority groups.

**Operations and Maintenance:** Physical assets created through the CDD model that are in the public rather than private domain face challenges related to operations and maintenance, as local governments often do not recognize these community assets as their responsibility or allocate budgets for operations and maintenance. Clear arrangements for ownership of newly-built community infrastructure and appropriate handover of assets to local authorities after completion should be put in place at the beginning of the reconstruction program.

**Rising Cost of Materials:** A steep rise in the cost of materials during implementation meant that the Rekompak Aceh project had to substantially reduce the total number of units built. Taking a lesson from this experience, the Rekompak project shifted from providing a completely finished house to providing assistance to build a "core house" in response to the 2006 Java earthquake. Core houses were structurally complete and sound houses that met seismic-resistant standards but lacked finishes such as paint, plaster and tiles. Owners themselves then used their own resources to complete and fine tune their houses.

### Key Lessons Learned for Community Driven Reconstruction

1. **Base the design of CDD mechanisms on sound analysis of the social environment.** Project design should consider questions such as: What social units remain in the aftermath of the disaster that can lend themselves to the CDD process? What are the capacities of affected communities to work together and make decisions? How is money managed by local communities? To what extent have local administrations been affected and which local leaders are still in place, capable, and trusted?
2. **Select a multidisciplinary operational team.** A range of skills in community-based approaches as well as technical expertise and knowledge of government systems are needed by operational staff and facilitators.
3. **Empower local communities to carry out planning and decision-making processes for their own recovery.** Providing hands-on opportunities through community planning exercises and the identification and implementation of physical reconstruction activities builds skills and capacity for continued community development.
4. **Invest in good facilitators and support their work.** A network of good facilitators who are available on call is very much worth the investment in human capital, for use in different circumstances and disasters.
5. **Develop clear and simple systems, procedures and guidelines.** It is important to facilitate understanding of how the entire process works, in terms of steps, scope and timing, for all actors, in particular communities themselves.
6. **Develop good communication systems.** Communication helps ensure projects, results, roles and responsibilities, and accountabilities are widely publicized and understood.
7. **Ensure timely distribution of funds.** Minimizing unnecessary delays in disbursing funds to community groups is critical for maintaining motivation to participate and keeping commitment and satisfaction levels high.
8. **Establish systems for ensuring transparency and accountability.** The credibility of the CDD program depends on simple and transparent systems for financial and information management shared widely and openly among stakeholders.
9. **Develop a highly visible and robust complaint handling mechanism.** Systems should be simple and accessible to all, highly publicized, and responsive, and information on resolution provided in a timely and consistent manner.
10. **Include prescriptive measures for ensuring full participation of women and marginalized groups.** Setting targets for women's participation is a good first step but does not address the quality of participation. Separate groups for women help encourage and support leadership.

## Adapting Community Driven Reconstruction in Other Settings

A key lesson from the experiences of the JRF and the MDF is that pre-existing CDD mechanisms are very easily adapted for the purposes of local level reconstruction and can bring significant immediate, short, medium and long-term benefits for communities that have suffered from a natural disaster. In Indonesia, the government is now taking this approach beyond the MDF and JRF and adapting the community driven approach to post-disaster recovery, especially the Rekompak approach to housing reconstruction, into its national disaster response program and ongoing community empowerment program. Even when pre-existing mechanisms are not in place, community driven approaches to reconstruction can be implemented to support local recovery.

Establishing mechanisms for community driven reconstruction in the aftermath of a disaster may not appear to deliver immediate benefits due to the investment of time required. However, by engaging communities from the beginning of the process, community driven reconstruction mechanisms allow them to experience the reconstruction dividends even before physical works are completed, and are beneficial throughout subsequent stages of reconstruction and beyond. Therefore, the establishment of community driven reconstruction mechanisms should be considered in any major reconstruction program.

The MDF and JRF experiences have shown that local level recovery using a community driven approach can result not only in cost-effective physical outputs, but also empowered communities, with greater capacities and more prepared to face future disasters. Based on Indonesia's experience, community driven reconstruction should be considered by policy makers in other contexts as an efficient and effective option for delivering local level recovery and achieving sustainable social benefits for communities affected by disasters.

## Chapter 1

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# INTRODUCTION





## 1.1 Background

### Community Driven Development and Reconstruction in Indonesia

In the aftermath of the December 2004 tsunami, communities in Aceh, haunted by thirty years of conflict and weak governance and further devastated by the disaster, were empowered to take control of the reconstruction to rebuild their own houses and villages. Through government reconstruction projects based on community driven approaches, they were able to build physical assets that were on average cheaper than other methods of reconstruction, and achieved high levels of user satisfaction. This community driven approach to reconstruction was considered so successful that it was subsequently used by the Government of Indonesia to reconstruct housing after other natural disasters in the country, including in Java and West Sumatra.

This working paper is intended to bring together experiences of community driven reconstruction from the Community Recovery Programs of the Multi Donor Trust Fund (MDF) and the Java Reconstruction Fund (JRF). The strengths and achievements as well as challenges and obstacles are examined in order to draw out lessons that might inform policy and decision makers in both government and development agencies involved in disaster response planning and reconstruction management. This paper looks at the experiences of the MDF and JRF programs which channeled funds through programs that made use of community driven mechanisms to understand how the community driven approach can be applied to other reconstruction programs. These are consolidated to produce a number of guiding principles and key elements for replicating and adapting the community driven processes to support more effective local level recovery in the aftermath of any future disaster.

The lessons captured in this paper present a strong argument for taking a community driven approach to local level recovery, and suggest ways in which this approach can be integrated into disaster recovery planning.

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Community driven approaches to reconstruction empower communities to rebuild their own houses and villages, encouraging faster social recovery in the process. These children pose in their new neighborhood built with support from the MDF's ReKompak project in Tubuk Lancang, Pidie Jaya District, Aceh.

*Photo: Tarmizy Harva*

### What is Community Driven Development?

CDD, broadly defined, is an approach that gives control over planning decisions and investment resources to community groups and local governments. CDD programs operate on the principles of local empowerment, participatory governance, demand responsiveness, administrative autonomy, greater downward accountability, and enhanced local capacity. Experience has shown that given clear rules of the game, access to information, and appropriate capacity and financial support, poor men and women can effectively organize in order to identify community priorities and address local problems, by working in partnership with local governments and other supportive institutions.<sup>1</sup>

The World Bank's definition of CDD moves beyond the idea of a mechanism that involves only community groups towards one that includes other local level actors, such as local government. The CDD programs of the MDF and the JRF fit within this definition in that, as well as working with local communities, they also engaged the government in local level recovery, strengthening local government capacities to interact and respond to communities. However, while local government is included in this definition, it is important to underscore that CDD is primarily a mechanism through which communities are entrusted with funds and authority and facilitated and empowered to interact with other local stakeholders.

The community driven approach to reconstruction used in the JRF and MDF programs provided a platform for all stakeholders to come together and make use of each other's respective strengths. The central government provided policy and guidance, donors provided funds, local governments provided oversight and facilitators, and crucially for CDD, the existing social assets of affected communities were leveraged to make decisions and manage reconstruction resources. While providing a framework that brought together different actors involved in local level reconstruction, the CDD mechanisms first and foremost empowered communities to become leading agents of their own reconstruction and to engage more effectively with other stakeholders, in particular with local government.

### Community Recovery in the MDF and JRF Programs

The Kecamatan Development Project (KDP) and Urban Poverty Project (UPP) had already established networks in Aceh before the tsunami hit in December 2004. Soon after the disaster, the Government of Indonesia cited the community driven model of these programs as an example for local level recovery, the damage and needs

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<sup>1</sup> From the World Bank's website on CDD: <http://go.worldbank.org/24K8IHVV50>

assessment and the government's Master Plan for reconstruction designated the KDP project as a key recovery vehicle. The Government requested that the KDP program, which was operating in 45 percent of all the subdistricts at the time, be scaled up to support the reconstruction of Aceh and North Sumatra (KDP Project Appraisal Document, 2005).

In May 2005, the Steering Committee of the MDF approved a package of projects for community recovery, which included a dramatic scale up of KDP and UPP and the development of a large-scale housing reconstruction program based on the same community driven model.<sup>2</sup> This decision recognized the potential of the CDD approach to channel funds directly to community level, leveraging pre-existing networks of facilitators, program architecture and the hard-earned trust of communities in these projects. It also drew on experience following the Asian financial crisis, which had already demonstrated the ability of the KDP and UPP programs to respond quickly to crises. With the expansion of these programs and the development of the community driven housing called Rekompak underway, the CDD model became a key vehicle for the reconstruction of Aceh and Nias at local level.

The five MDF and JRF community recovery projects discussed in this paper are shown in Table 1.1.

**Table. 1.1 Community Recovery Projects Supported by MDF and JRF**

Name	Location and Program	Key Outputs	Grant Amount (US\$)
Community Based Settlement Rehabilitation and Reconstruction Project (CSRRP)	Aceh (MDF)	Housing and settlement infrastructure	85 million
Community Based Settlement Rehabilitation and Reconstruction Project (CSRRP)	Java (JRF)	Housing and settlement infrastructure	75.12 million
<i>Kecamatan</i> Development Program (KDP)	Aceh and Nias (MDF)	Village infrastructure	64.7 million
Urban Poverty Project (UPP)	Aceh and Nias (MDF)	Village infrastructure	17.45 million
<i>Kecamatan</i> Based Reconstruction and Recovery Planning Project (KRRP)	Nias (MDF)	Housing and village infrastructure, cultural heritage and environmental awareness	20.21 million
<b>Total funds allocated to community recovery through CDD</b>			<b>262.48 million</b>
<b>Total combined funds of MDF and JRF</b>			<b>739.58 million</b>

<sup>2</sup> The formal name of the housing reconstruction program is Community-Based Settlement Rehabilitation and Reconstruction Project (CSRRP) but it was widely known by its Indonesian acronym Rekompak.

The total amount of MDF and JRF funds channeled through these projects was \$262.48 million, approximately 35 percent of the total combined MDF and JRF funds of \$739.58 million.

All five projects applied the same key principles of CDD for delivery of local level reconstruction. These included:

- Identification of needs and targeting of beneficiaries by communities themselves
- Planning and decision making by communities
- Project implementation and oversight by communities
- Fund management by communities
- Facilitation by third party consultant facilitators, hired by government
- Ongoing interaction with and oversight by local authorities
- Accounting for funds used and results locally, downward to community members as well as to governments and donors
- Broad-based participation, including requirements for minimum levels of participation by women
- Transparent and robust complaint handling mechanisms to give credibility to the governance of the project, based on the principle of 'subsidiarity' (attempting to resolve issues at the most local level before aggregating, passing complaints up to higher levels of the program or to the formal legal system).

## Adapting CDD for Local Level Post-Disaster Recovery

In response to the tsunami, the on going national KDP and UPP projects were expanded and adapted to the reconstruction context. Based on these models, new projects designed specifically for the post-disaster reconstruction context were developed. The Rekompak projects in Aceh and Java and the KRRP in Nias were able to successfully learn from the experience of preceding projects and were further adapted and evolved to become increasingly efficient vehicles for local level recovery.

### KDP and UPP in Aceh and Nias

As mentioned earlier, the KDP and the UPP both existed in Aceh before the tsunami struck. At the time the KDP covered 2,923, or 45 percent of villages in Aceh. The MDF funds allowed a massive scaling up of both projects, which were also adapted to accommodate post-disaster needs of communities. They included, for example, social funds that could be channeled to meet the most urgent needs of the community, as defined by the communities themselves, and which were not being met by other agencies. The KDP program also hired subdistrict level Information Facilitators, who helped channel reconstruction information to communities and helped communities coordinate with donors and agencies working locally on community reconstruction.

### Rekompak Aceh

While the UPP program itself was scaled up, it was also used as the basis for a pilot for the Rekompak housing project. Using facilitators and manuals already in the field, a

UPP “bridging team” started to modify the program in order to focus on housing. As it expanded into a program that would build houses across affected areas of Aceh, UPP funds were utilized initially pending the availability of the MDF funds.

The community decision-making processes of the UPP were adapted for Rekompak to better fit the nature of the needed outputs which were private houses rather than public infrastructure. Groups consisting of about ten households worked together and managed funds in one joint account, encouraging collaboration and collective oversight. The consultative processes of Rekompak were used to support communities in preparing Community Settlement Plans (CSP) to guide the reconstruction of settlement infrastructure. Based on the CSP, support for small-scale infrastructure was provided to rebuild the settlements.

In line with the Government’s housing assistance policy, the project provided IDR 10 million (\$1,100) for partially damaged houses, and IDR 28.8 million (\$3,200) for fully destroyed houses, both based on a structure with a floor space of 36 square meters.<sup>3</sup> Due to rapidly escalating construction costs in Aceh, this was later revised to IDR 15 million (\$1,660) for a damaged house and IDR 53 million (\$5,880) for a destroyed house.<sup>4</sup> The project also financed block grants for the rehabilitation of small-scale priority infrastructure (mainly secondary and tertiary networks, such as access roads and drainage) to enhance effectiveness of the shelter repairs and reconstruction program, based on CSPs formulated by the communities themselves.

### **KRRP Nias**

Two years into the post-tsunami reconstruction program, housing reconstruction in Nias Island was at a critical stage. Professional contractors used by the government and international reconstruction partners were found to be lacking in capacity, resulting in delays, substandard construction and complaints from beneficiaries.<sup>5</sup> International non-governmental organizations and development agency housing commitments were greatly scaled back as the realities of the challenging operating environment became clear. Because of the increasing complaints from the public, challenging logistics, and rising costs of materials, in June 2006 the BRR adopted a different approach to housing reconstruction—an approach based on community participation in housing design and construction. At the request of the BRR, the KDP model was adapted for Nias, and the Kecamatan Based Recovery and Planning Project (KRRP) was created. For the remainder of the reconstruction program, the BRR combined its remaining funds for housing with \$25.75 million from the MDF in the KRRP community-based housing program, abandoning the contractor approach entirely.

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<sup>3</sup> This was later revised to IDR 15 million (\$1,660) for a damaged house and IDR 53 million (\$5,880) for a destroyed house. Amounts were different for each disaster due to variations in costs over time and between regions.

<sup>4</sup> CSRRP/Rekompak 2010.

<sup>5</sup> Sabandar 2009.



Initially targeted at building 5,000 houses, the KRRP combined elements of both the KDP and the Rekompak projects in Aceh and Java. In doing so, it became a flexible project that could respond to the specific and unique needs and challenges of the island. Learning from the Rekompak approach of building houses through small community groups, it evolved to also include projects to reconstruct local level infrastructure, including schools and village halls. KRRP was also adapted to provide assistance for environmental awareness and to promote preservation of the unique cultural heritage of Nias. KRRP played an important 'gap-filling' role, working with communities that were hardest to reach, and which were not being served by other agencies. This of course had an impact on the speed and cost of the project.

### **Rekompak in Java**

When Yogyakarta and parts of Central Java were hit by a major earthquake in May 2006, the Government of Indonesia was quick to identify the Rekompak model as its main vehicle for delivering housing assistance. The lessons learned from Rekompak in Aceh informed the design of the project in Java, and it evolved and adapted to become more efficient, supporting the reconstruction and rehabilitation of over 15,000 houses and over 3,000 low-cost temporary shelters with JRF funding.

Directly after the disaster struck, the national government stated that housing reconstruction would be done through the Rekompak program. Again, the pre-existing UPP network was leveraged, facilitators were trained to implement housing reconstruction, and government funds were used to start the housing program while waiting for donor funds from the JRF to be channeled thorough the government treasury. This initial phase of the Rekompak program was referred to as P2KP Peduli (UPP Cares). Learning from the experience in Aceh and scaling up the pre-existing UPP project, Rekompak constructed 6,000 houses in the first six months after the earthquake while testing and adapting the model for Yogya. The resulting design was used as the basis for reconstructing 300,000 houses using funds from the Government of Indonesia, in addition to the 15,000 built with JRF funding.

The major change in the program design was that rather than providing assistance to build complete houses, communities were instead promised assistance towards building or renovating a "core house", a basic structure of exterior walls and roof, with the owners encouraged to contribute their own funds to complete construction. This allowed the number of beneficiaries of the project to remain constant, and the project's objective of building 15,000 houses was somewhat protected from inflation and rising reconstruction costs.

The program in Java also had a stronger focus on disaster risk reduction (DRR), with both the houses and the Community Settlement Plans developed according to strict DRR criteria. Communities had to agree to have their houses inspected during reconstruction to ensure they adhered to DRR construction methods, a requirement for transfer of funding tranches to the group accounts. The project also provided funds for community disaster preparedness activities.

In July 2006, coastal areas of West Java were hit by an earthquake and tsunami. The Rekompak project was extended to cover these areas. In 2010, 88 villages that were affected by the eruption of Mount Merapi were also added to the project. In this way, the Rekompak project was able to respond quickly to the needs of communities hit by different types of disaster, proving to be a robust model for reconstruction. The consultative processes of the project were also put to use in designing the settlement plans for communities that were relocated outside the Merapi danger zone.

By the close of the MDF and JRF programs in 2012, the CDD mechanisms of the UPP, first adapted for reconstruction purposes in Aceh, had evolved into a dedicated government mechanism for housing and settlement reconstruction in disaster prone areas.

## CDD within the Wider Reconstruction Context

The experiences of the MDF and JRF in using the community driven approach for reconstruction demonstrate the effectiveness of the model as a vehicle for post-disaster recovery at the local level. The approach is particularly effective in local level reconstruction for a number of reasons. Firstly, engaging affected and traumatized populations contributes to the psychological recovery of communities. Secondly, the CDD model is able to mobilize local information that is not readily available to external actors, such as government and relief and reconstruction agencies. It also provides forums for negotiating disputes, which are more likely in the context of a sudden influx of reconstruction resources. And channeling government funds through community driven reconstruction programs provides a clear demonstration of the government's attention to the most localized needs in the aftermath of a disaster.

It is important to point out that the community driven reconstruction approach cannot be used to address all post-disaster reconstruction needs. The approach should be used to complement and work in parallel to functions fulfilled by other actors. Large-scale infrastructure projects, such as major roads, ports, airports and telecommunications infrastructure, were implemented by government agencies or professional contractors who are best suited to do so. The community driven model also does not address many of the other needs during reconstruction, such as provision of temporary basic services through the deployment of teachers and nurses, or provision of security.

Clearly, in any reconstruction program different actors are needed to fulfill different functions and deliver on different needs. The CDD model facilitated and empowers a key group of actors—the affected communities themselves—to fulfill an important set of needs by rebuilding housing and supporting local level recovery.

## Chapter 2

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# STRENGTHS OF THE COMMUNITY DRIVEN APPROACH TO RECONSTRUCTION



The CDD approach provided the backbone for the five community recovery projects of the MDF and JRF. Through these five projects, communities were empowered to implement physical reconstruction, building homes and local level infrastructure. Project outputs were on average of equal quality to those built by professional contractors, and were delivered for the same or less cost.

In addition to the impressive physical results constructed through these projects, the MDF and JRF experiences have demonstrated many less tangible social benefits. These include faster social recovery from the impact of disasters, and increased confidence and capacities of local actors to engage in local level planning. Most importantly, the community driven approach to reconstruction empowers victims of natural disaster to become key agents in their own recovery, which has important psychological benefits.

This chapter outlines the strengths of the community driven approach as used in a post-disaster reconstruction context and provides examples from MDF and JRF experiences in implementing this approach in Indonesia.

## 2.1 The Consultative and Participatory Processes

Each of the CDD programs under the MDF and JRF portfolio followed a similar participatory cycle consisting of:

1. Socialization of the projects and registration of local volunteers
2. Election of community representatives
3. Formation of oversight/monitoring committee(s)
4. Identification of beneficiaries' and local level reconstruction's needs and priorities
5. Preparation of reconstruction plans and project designs and budgets
6. Implementation of projects

The programs were all dependent on good facilitators to ensure the processes were followed and that meetings were attended by as many villagers as possible. Communities were brought together to collectively identify needs and/or beneficiaries, plan projects, manage and account for funds, oversee quality, and sign off on delivery. A key principle was to be as inclusive as possible, seeking to actively include women, poor families and marginalized individuals in the participatory processes.

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A disaster response drill in Yogyakarta in May 2012. The Rekompak Projects successfully integrated disaster risk reduction and preparedness into local level recovery, leaving communities better prepared and more resilient to disasters.

*Photo: Akil Abduljalil*

The Rekompak and KRRP programs disbursed two types of grants to disaster-affected communities: i) grants for the reconstruction and rehabilitation of individual houses, and ii) grants for reconstruction or rehabilitation of small-scale community infrastructure and other public facilities. To manage the first type of grant, the project brought together about 10 households into neighborhood housing groups or *Kelompok Pemukim* (KP). Each housing group elected a leader and shared one bank account. The release of funds for the group was dependent on the performance of each individual household and the leader. Tranches of funds were only released to the housing group account once all households had completed the conditions required to trigger the transfer of funds. In this way, the members of the housing groups were financially motivated to support each other and ensure quality across all households. For the second type of grant, community groups were formed to develop community settlement plans and implement local infrastructure projects such as schools and village halls, and also cultural projects in the case of KRRP.

The KDP and UPP programs provided grants for village-level recovery. Grants were disbursed for local level infrastructure, women's saving and loans groups or revolving funds, and a social fund component (for KDP) for meeting immediate recovery needs of households that were not being addressed by other agencies or the government in a timely manner.

## 2.2 Empowering Communities

The consultative and participatory processes of the MDF and JRF community driven projects had the effect of transforming disaster affected communities from passive beneficiaries to active managers of their own reconstruction. The projects all required consultation with and participation by villagers at all stages in the delivery cycle. Identification and verification of beneficiaries, identification of local level needs, planning, project design and budgeting, fund management, construction and oversight—each of these processes were placed in the hands of the communities themselves and conducted with broad consultation.

The MDF and JRF projects placed management of resources and responsibility for implementation in the hands of the affected communities themselves, despite often-perceived risk in doing so. CDD projects often do well in consulting and mobilizing groups to give inputs into the identification of needs and the design of projects but sometimes fall short of also putting project funds and implementation management responsibility into the hands of communities. This reluctance is often related to perceived risks relating to the ability of communities to make the right decisions for themselves, their capacities to manage funds effectively, and their ability to implement quality projects on time.



This perceived risk is felt more keenly during a time of highly visible post-disaster reconstruction. During a reconstruction program, when international public scrutiny is high, governments, international NGOs and donors have a renewed aversion to risk. For international NGOs that have embarked on highly visible fund raising campaigns and operate in high profile reconstruction environments, it is often seen as a big risk to hand over the management of funds and control of projects to villagers themselves. Aside from the risk that funds may be mismanaged, there is also the risk that projects may not deliver. Donors channeling aid to reconstruction programs, answerable to their parliaments and public, feel the pressure to deliver fast, visible results. On the face of it, this would seem to favor the use of professional contractors for reconstruction programs.

The MDF and JRF community driven projects not only challenged this perception, they also allowed affected communities to become key agents in the recovery efforts. Drawing on the experiences of donors such as the Netherlands, a long time supporter of CDD projects in Indonesia, the donors of the MDF and JRF were encouraged to “take the risk” in the belief that communities were able to fully participate in all aspects of reconstruction. The projects approved reflected the belief that, given the right mechanisms and facilitation, communities could manage all aspects of local level reconstruction, including fund management, and could do so as well as professional contractors. As a result, the communities affected by disaster in Aceh, Nias and Java were no longer viewed as victims of disaster and beneficiaries of assistance; through the CDD projects they also took the lead in the reconstruction of their own lives.

The collective nature through which communities worked had a direct and positive impact on the quality and sustainability of project outputs. It also as promoted a general sense that reconstruction aid was being distributed in an equitable manner at village level. The KDP, UPP, KRRP and ReKompak projects organized communities into groups and forums which allowed them to plan, design, manage and oversee reconstruction at the village level. Most importantly, the consultative and participatory processes provided a platform for communities to give inputs to the reconstruction process at the local level, not only to the MDF and JRF programs but to projects implemented by other agencies as well. In this way, the programs were able to achieve the type of empowerment of communities that Robert Chambers, a pioneer of participatory development, described in his 1997 book *Whose Reality Counts?*:

“...They (empowered communities) can have many functions, such as savings and credit, income-earning activities, natural resource management, maintaining group or community solidarity, preparing proposals and negotiating with outside agencies. They can maintain group or community solidarity and negotiating power in relations to threats. They can deal with other community-based organizations. They can mobilize countervailing power to meet the power... of the hierarchies of NGOs and the state...”<sup>1</sup>

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<sup>1</sup> Chambers 1997, 219

## Targeting Beneficiaries, Channeling Resources and Matching Resources to Needs

The consultative and participatory processes were highly successful in reaching consensus around often sensitive reconstruction issues. These included identification and verification of beneficiaries, even in difficult circumstances such as in the allocation of land for those communities that were resettled outside the Merapi danger zone or land consolidation in Lampung, Aceh, for example, as well as distribution of social funds, targeting of housing assistance, and spatial planning. In short, the consultative processes provided a mechanism for accurate identification and targeting of beneficiaries and local level reconstruction needs, resulting in broadly acceptable decisions and less disagreement or conflict.

In the absence of physical boundaries and demarcations, and with few official records available, the consultative and participatory processes of the programs were perhaps the most equitable, cost-efficient and practical way to identify owners of land and beneficiaries of new houses. This was particularly the case in Aceh where records had been lost and physical boundaries and demarcations swept away. The participatory processes, which relied on consensus among villagers, provided a mechanism to leverage collective memory and identify plots. The KDP participatory mechanisms were also put to use for collecting data on damage and loss as well as priority needs in Aceh, and was utilized again when coastal areas were hit by flash floods in 2006. KDP facilitators were able to quickly mobilize community groups to gather data from affected villages.

Most importantly, the participatory process through which communities made decisions resulted in a general feeling across all five of the CDD projects that funds, land and assistance were distributed to those who were entitled. In this way, the sense of competition among villagers that often accompanies distribution of reconstruction resources at local level was mitigated. In areas familiar with violent conflict, such as Aceh, this approach had clear benefits. The ability to use the participatory approach to distribute funds without causing conflict was further tested by the Community Based Reintegration Assistance Project—also known as KDP-BRA—a project that distributed reintegration funds for conflict victims, leveraging the structures and mechanisms of the KDP in Aceh. The project was successful as a mechanism for delivering rapid compensation with positive welfare impacts in a way that was seen as equitable and fair. Communities reported that “...BRA-KDP was successful in fulfilling the need of conflict victims for compensation and recognition.”<sup>2</sup>

### Local-level Oversight and Accountability

The consultative and participatory processes also brought together individuals within communities to act as a group and provided a platform to ‘mobilize countervailing

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<sup>2</sup> Morel et al. 2009

power<sup>3</sup>, and strengthen accountability. Communities were empowered to resist elite capture in the form of collusion between social elites and possibly corrupt facilitators who sought to extort money from beneficiaries of the projects. Even in Nias, an area known to have serious governance challenges, KRRP beneficiaries were empowered to make an open and public challenge of any facilitators seeking to extort funds, resulting in the prosecution of the facilitators.

The participatory monitoring process used in the projects has been recognized as especially effective for monitoring at village level. Under the KDP and UPP, local monitoring committees were elected by the community members. The committee actively monitored all stages of the projects, from supply of goods, distribution of benefits and financial bookkeeping, to the quality and progress of infrastructure implementation. Teams implementing projects were required to report at public village “accountability meetings” where monitoring committees could assess the quality of the report and comment.

## Social Benefits of the Participatory Processes

Beyond providing effective mechanisms to plan and implement projects, the participatory processes of the MDF and JRF community driven programs also supported affected communities to rebuild social capital, to strengthen social ties and restore the confidence of individuals affected by the disasters. This was confirmed through a study conducted by the Aceh Community Assistance Research Project (ACARP), which documented social benefits associated with active community involvement in the reconstruction process.

“...The availability of conducive facilities for community meetings and deliberation is an important early priority for communities recovering from disaster...Communities that have successfully undertaken collective endeavors benefit from the confidence and momentum that this instills. Locally planned and executed small-scale infrastructure block grants can significantly contribute to the strengthening of social capital in recipient communities.”<sup>4</sup>

## 2.3 Creating Cost Effective and Quality Physical Results

### Offsetting Unit Costs by Leveraging Local Resources

Another distinct characteristic of reconstruction projects based on the community driven approach is their ability to leverage resources from other sources. The MDF and JRF projects were able to leverage co-financing from government and also in-kind contributions from community members, helping to keep down costs. After the earthquake in Java, members of the communities were able to use materials salvaged from the earthquake to rebuild their houses. In Nias, the community contributions

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<sup>3</sup> Chambers 1979

<sup>4</sup> Aceh Community Assistance Research Project (ACARP) 2007, 161

were of great importance, given the remote island's geography and its poor transport network that made it difficult to transport materials within the island.

### Housing: Lower costs, High Levels of Satisfaction

The community-driven approach resulted in housing units that cost less than those built by other financiers in the difficult operating environments in Aceh and Nias. The approach also generally recorded high levels of beneficiary satisfaction. The Aceh Community Assistance Research Project (ACARP), which surveyed a number of villages across Aceh, concluded that "...housing programs that engage local community members in planning and implementation (construction) are generally more successful than those that adopt a 'turn-key' approach."<sup>5</sup>

The MDF and JRF housing projects substantiate this conclusion. The approach has proven so successful that it has been adopted by the Government of Indonesia as its main vehicle for the reconstruction of houses after natural disasters.

### Better Use of Financial Resources

The Rekompak and KRRP projects demonstrated that the CDD approach for housing reconstruction makes better use of financial resources due to higher involvement of the community in fund management and community contributions. This is reflected in the lower unit costs compared to houses built through other means. The average cost of a housing unit financed by the Rekompak project in Aceh was IDR 53 million (\$5,888), which was 40 percent lower than the cost of housing units financed by other financiers, or about 30 percent less expensive than housing units with identical specifications.<sup>6</sup>

These lower costs can be attributed to a number of reasons: (1) home owners were happy to use salvaged materials, an approach that contractors could not adopt; (2) home owners also contribute their own expertise, materials, time, and labor and, in many cases their own funds to the construction of their houses; and (3) having a stronger sense of ownership of the projects, communities were more motivated to use funds efficiently.

In areas where reconstruction was difficult and materials were scarce, the community driven approach to reconstruction contributed to keeping costs down. In Nias, the KRRP project used a 'gap-filling' approach, targeting areas of Nias that were hardest to reach and not being served by other agencies. This impacted the cost of materials, pushing the unit costs of KRRP houses up in comparison to houses built in areas that were easier to access. Despite this, contributions from the community of materials,

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<sup>5</sup> ACARP 2007, 172.

<sup>6</sup> Based on project surveys cited in the CSRRP/Rekompak Implementation Completion Report, 2010.

resources, labor and expertise helped to keep costs down considerably and make optimum use of funds.<sup>7</sup>

## Community Driven Housing Reconstruction

The CDD approach to housing reconstruction proved effective in delivering housing assistance in difficult operating environments where other agencies were unable or unwilling to operate. In areas that presented a logistical challenge, such as remote areas of Nias and the island of Simeulue in Aceh province, it was the communities themselves that transported materials to villages with little or no access. The community driven model was also successful in rebuilding in areas that presented social and other challenges. In Lambung, Aceh, in a village that was avoided by other agencies because of social and land issues, the Rekompak project was able to “...re-plan the urban ward, consolidate the land ownership, rebuild the houses and became a model of development.”<sup>8</sup>

These experiences demonstrate the strength of the CDD approach in navigating and negotiating not only logistical challenges but also complex social and land issues. In this way, the CDD approach is able to deliver assistance in areas where other actors, including contractors and NGOs, are not.

The higher levels of involvement of communities through the community driven reconstruction approach also resulted in higher occupancy rates and higher satisfaction levels. Given control over the construction processes and substantial training and support from facilitators, communities were able to play a strong oversight and quality assurance role. As a result, the quality of housing reconstruction was often beyond required standards and occupancy rates, and satisfaction levels exceeded the targets in the project design documents. Taking Rekompak in Java as an example, out of the 15,153 earthquake-resistant houses built in the first phase, 99.6 percent are still occupied. The percentage of beneficiaries satisfied with the quality of their houses was particularly high at 83 percent for those whose homes were rehabilitated.<sup>9</sup>

These figures indicate that the levels of satisfaction correlate directly to the level of involvement of owners in the reconstruction of their own houses. Based on this, the conclusion can be drawn that housing reconstruction models that involve the communities themselves in the building of houses are more likely than alternative models to result in high levels of satisfaction.

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<sup>7</sup> Sabandar 2009, 95

<sup>8</sup> CSRRP/Rekompak 2010, 15

<sup>9</sup> *ibid.*





A bridge under construction through the JRF/Rekompak project in Wukisari, Bantul, Yogyakarta. With good facilitation, communities were able to build houses and infrastructure of equal quality to other reconstruction methods, for the same cost or less.

*Photo:  
Rekompak  
Team*

## Community Driven Reconstruction of Infrastructure

The infrastructure produced through the CDD approach of the JRF and MDF programs was of similar quality to that which might be expected from professional contractors, however, the unit costs were generally much less. According to the Rekompak ICR, “...small-scale infrastructure constructed by communities in this project cost 23 percent less than similar projects undertaken by local governments. Tendering of materials by communities reduced costs by 12 percent, the savings of which were used to expand subprojects. Community contributions were estimated at about 8 percent of the total cost of subproject (excluding contributions in the form of land or crops).”<sup>10</sup>

The CDD approach of placing ownership and control firmly under the benefiting communities meant that the priority village infrastructure projects identified by the community could leverage resources contributed by the communities themselves. These resources included labor, materials and even donated land.

The projects also resulted in increased technical capacities at local level. With regard to local level infrastructure projects managed and implemented by communities, the ACARP survey found that “...small infrastructure grants to communities, when accompanied by clear guidelines on participatory planning, transparent management and public disclosure of financial information, have proven to be an extremely cost effective means of delivering quality small-scale infrastructure not met by other donor or government projects, while strengthening communities’ capacity to plan and implement future self-help projects.”<sup>11</sup>

<sup>10</sup> CSRRP/Rekompak 2010, 21

<sup>11</sup> ACARP 2007, 168.

Collectively, the MDF and JRF-funded Rekompak, KRRP, KDP and UPP projects resulted in the implementation of over 19,600 small infrastructure projects. These were designed, implemented and overseen by the communities themselves, with the support of facilitators.

The community driven approach also meant that the infrastructure projects of KRRP, KDP, UPP and Rekompak were more likely to be appropriate for the local context, and therefore of most benefit to those within the community, taking into account needs, capacities, resource endowments and cultural settings. This is again a divergence from the alternative model for reconstructing infrastructure whereby outside forces, such as NGOs and government agencies, identify needs and design projects that are implemented by external actors, such as contractors who are brought in from outside the community. Infrastructure changes introduced with no or little involvement of the local community are more likely to be exploited by, and of benefit to, external actors, as often they do not take into account the local contexts.<sup>12</sup> The participatory processes of the MDF and JRF CDD projects leveraged local knowledge, accurately identified local needs and therefore resulted in locally appropriate infrastructure projects that fully reflected the local contexts.

## 2.4 Integrating Disaster Risk Reduction and Preparedness into Local Level Recovery

### DRR in the Reconstruction of Physical Assets

The experience from the MDF and JRF programs demonstrate that CDD mechanisms can lend themselves well to the implementation of disaster risk reduction and preparedness initiatives at the local level, if this is included in the original project design. These mechanisms can be a channel for educating individuals on DRR building standards, raising awareness among communities and local governments and thus embedding DRR and disaster preparedness in the institutional memory of communities living with the risk of natural disaster. But perhaps the most important lessons related to disaster preparedness is that having CDD mechanisms already in place when a disaster strikes may be the most effective mechanism for helping communities to recover.

In the aftermath of a disaster, when the reality of the risk is still tangible, development partners, governments and communities all have a high interest in embedding risk reduction and preparedness into reconstruction. It is at this time that the incentive for channeling resources to risk and preparedness activities is most keenly felt. The challenge is to ensure any reconstruction program addresses DRR at all levels and that DRR principles and practices are continued beyond the initial momentum brought by the project.

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<sup>12</sup> Sabandar 2007

The participatory processes of the projects provided a channel for introducing disaster preparedness and risk reduction at community level, and provided an opportunity to ensure awareness was embedded in the memory of local institutions and sustained beyond the lifetime of the projects. The communities that rebuilt their houses with assistance from Rekompak and KRRP all received training from facilitators on earthquake resistant construction. The communities were therefore able to oversee reconstruction of houses and infrastructure and ensure DRR standards were followed. Furthermore, having been made aware of the importance of DRR, families and communities were willing to accept the somewhat higher costs of reconstruction using these methods. In some cases, such as in Central Java and the communities resettled outside the Merapi danger zone, members of the community went as far as to contribute their own land for evacuation routes, demonstrating the strong commitment to DRR that the Rekompak project was able to generate.

### Disaster Preparedness: Building Institutional Memory at Local Levels

The collective nature of the projects also proved to be an effective vehicle for building awareness and preparedness at local levels. The Rekompak and KRRP projects incorporated community preparedness within their designs. Activities conducted at the community level included training for village heads, evacuation drills, and the formation of disaster preparedness committees. Settlement plans produced under Rekompak included DRR and preparedness considerations. The communities were trained to identify the specific risks to which they were exposed, so that their settlement plans could take these risks into account—for example, the identification of ‘no build zones’ within each village. In Java, for example, due to increased awareness of risks, villagers prioritized DRR-related activities for local infrastructure such as building evacuation centers and debris run-off channels in areas affected by Merapi. As a result of these processes, communities assisted by KRRP and Rekompak are more resilient to future natural disasters.

## 2.5 CDD Mechanisms: A Reconstruction Asset

### Collecting Local Level Data and Information for Reconstruction

The network of facilitators that was part of the MDF’s community recovery program proved to be a useful asset in collecting local level data and information to support the response and recovery. When the tsunami hit Aceh in 2004, the existing KDP facilitator networks were leveraged to generate village level data that fed into the damage and needs assessment. This was then followed up with a village level survey conducted by the KDP program across more than 5,700 villages in 2006, referred to as the 2006 Aceh Village Survey. This survey included information on infrastructure needs and gaps and social indicators related to displaced persons and new migrants. This experience demonstrates the value of CDD mechanisms as a reconstruction asset that can be leveraged to greatly enhance the effectiveness of delivery at the local level.

## CDD Networks: A Channel for Delivering Reconstruction Assistance

CDD structures that are in place when a disaster hits provide the most effective, efficient and sustainable mechanism for communities to respond to and recover from natural disasters. They provide a readily available mechanism to channel funds and expertise. They also provide a framework for communities to manage their own recovery and a platform to negotiate with external reconstruction actors. Aside from being a channel for reconstruction funds, the structures can also be used to channel emergency assistance directly to the local level—as was demonstrated by the social funds channeled through the KDP in Aceh.

### **Intregating DRR in Rekompak: The Case of Gesikan Village in Klaten District, Central Java**

The village of Gesikan in Central Java was badly hit by the earthquake in May 2006. Almost all the houses were badly damaged or totally destroyed. The Rekompak Peduli program facilitated the reconstruction of 10 houses while a further 49 were rebuilt by the JRF-funded Rekompak program that began in the village in early 2007.

The Rekompak program also supported the community of Gesikan to develop Community Settlement Plans (CSP) that incorporated DRR considerations. The CSP for Gesikan included evacuation routes using private land donated by the community and identified ‘safe areas’ for the community to gather in the event of a disaster.

Another aspect of the Rekompak program in Gesikan was the focus on community preparedness. With the help of the village facilitator, members of the community were trained to identify the hazards to which the village was exposed and to develop mitigation and preparedness measures.

In 2010, the community put together a Disaster Preparedness Group, tasked with implementing DRR and preparedness activities. This group regularly conducts training and simulations in which the whole village participates. Each simulation reinforces the evacuation drills with which all community members are familiar. They include special procedures for assisting children, pregnant women and elderly members of the community. In this way, regardless of the accuracy with which the drills are followed, DRR and preparedness are embedded in the institutional memory of the community and will endure well beyond the lifetime of the project.

## 2.6 Governance in Community-Driven Reconstruction Projects

### Improving Project Delivery, Increasing Capacities

The community driven reconstruction projects of the MDF and JRF employed robust systems and processes that resulted in improved project delivery, as well as increased governance capacities at local level. The governance systems and processes of projects increased awareness and understanding of accountability among local level actors. The capacities of communities to hold those responsible for delivering services to account were enhanced. Not only did this new capacity and understanding place disaster affected communities in a stronger position to manage aid resources, it also placed communities in a better position to interact with local government, demanding accountability for the routine services that local governments are meant to provide. Local government capacities to monitor projects were also strengthened.

The experiences of the five projects reconfirm that transparency, wide participation and robust complaint handling systems are key factors in addressing potential for corrupt practices and misuse of funds. Studies carried out by KDP, UPP and Rekompak all show very low levels of fraud and corruption and very high levels of recovery of misused funds when cases were reported. In KDP, out of more than 6,000 villages during four years of project implementation, only 78 serious complaints were received, of which 75 were addressed and resolved. Of these, 54 out of 57 cases that were related to corruption, fraud or embezzlement were resolved.<sup>13</sup> In Rekompak Aceh, as of December 2009, 301 complaints had been received, of which 293 were resolved. Of these, 44 cases were related to misuse of funds, totaling \$800,000 (approximately one percent of the overall project budget). All cases were solved and 100 percent of funds were recovered. When KRRP closed in June 2011, the project had recorded 205 cases, of which 191 (93 percent) had been resolved.

### Principles of Transparency and Accountability

At the foundation of all the projects was the fundamental principle of transparency. In practice, this meant a commitment that all elements of the project should be widely publicized and highly visible and that all information should be accessible to the public. The websites of the Rekompak projects, for example, listed the details of every house and every beneficiary. Furthermore, for the projects to succeed, it was important that the public understood this principle and that there were systems in place to exercise it. From the moment the programs were introduced, this principle of transparency was explained to communities, which helped encouraged their participation. Throughout project implementation, communities had access to project documents, financial records, committee meeting minutes and other related materials. In general, information was readily available from facilitators and was advertised on public notice boards.

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<sup>13</sup> Kecamatan Development Program 2010, 18





Rekompak promoted transparency through clear communication and widely distributed information. This banner asks the public to help supervise JRF community grants, stating that no bribes are to be paid and that there is to be no collusion or nepotism. Phone numbers are provided in case of complaints.

*Photo:*  
JRF  
Secretariat

Transparency laid the foundations for achieving high levels of accountability between all actors. Because of transparent access to information, communities were able to hold project actors accountable for what the programs promised to deliver, be they government, facilitators, village heads or members of village committees. The high levels of transparency across the projects meant that all those involved understood their rights and entitlements, whether this was entitlements to private and public goods, or rights to participate and influence decision making. It also meant they had access to project information, and were aware of channels to voice their concern if they felt their entitlements were not being met.

## Project Design

The design of the projects themselves reduced opportunities for corrupt behavior in a number of ways, including devolution of decision making to the local level and direct transfer of funds from treasury to village level accounts. The final assessments of the projects suggest that collective, local level decision making curbed corrupt practices to some degree. While incidents of local actors misusing funds, using substandard materials or attempting to extort money still occurred in projects, the reports suggest that the participative and collective decision making and the strong sense of ownership deterred local actors from engaging in corrupt activity.

The direct transfer of funds to village level accounts served to mitigate against corruption by circumventing multiple layers of bureaucracy and also by putting funds in the hands of those with the least incentive to misuse them. Communities were in this way able to have clear oversight over how funds were used. The Rekompak communities in Java, for example, formed Collective Purchasing Groups (*Kelompok Belanja Bersama*) that took collective responsibility for buying building materials. This collective action ensured better oversight of the use of funds.

## Project Systems

All project reports highlight the importance of simple but robust complaint handling mechanisms. These mechanisms were widely publicized in order to ensure that everyone was aware of them. Complaints could be submitted by any member of the community in a number of ways, including through individual facilitators, via SMS, by phone or email or through project authorities. All complaints were logged in the web-based, publicly available Management Information Systems (MIS) of each of the projects, and their follow-up also recorded. Village level auditing and independent monitoring through civil society organizations were also used in the KDP project and proved very effective.

### KRRP – Using Local Processes to Combat Corruption

The implementation of the KRRP in Nias faced a number of challenges from the outset: the remoteness of locations, fractious communities, a pre-existing environment of weak governance, and a lack of readily available building supplies.

Despite this, the project team did not shirk from dealing with issues of corruption—even if this meant delaying implementation. In one *kecamatan* (sub-district) there was evidence of collusion, which resulted in low quality timber being procured. The sub-project was stopped for six months until the issue was resolved. In Nias Selatan, it was found that a building had been constructed using substandard cement composition. The building was knocked down and rebuilt. Other cases that were reported to the police resulted in delays of more than six months while legal processes were followed.

Fully cognizant of the risk of delays, the project team was consistent in its systematic process of following up all complaints and allegations of misuse of funds. Communities applied peer pressure on members involved in such practices, regardless of their social standing, since the entire community's benefits would be jeopardized. Facilitators, village heads, and local governments understood that sub-projects would be supervised to monitor standards even in remote areas and that sanctions would be imposed in case of irregularities. All stakeholders came to understand that the KRRP was not open to corruption. The lesson from the KRRP experience in Nias is that consistency in the enforcement of sanctions across community groups and utilizing local level incentives played an important role in deterring corrupt practices.

Source: KRRP Project Team, personal communication.

For the most part, complaints were related to embezzlement or misuse of funds and inaccurate targeting of beneficiaries. The approach of the projects was to seek resolution of the issue at village level first, before aggregating to higher levels of authority. In some cases, community projects were stopped while issues of corruption were investigated, further strengthening communities' motivation to seek resolution. The MIS systems of the projects record high levels of resolution to complaints received and incidents of corruption identified.

All projects' final assessments highlight the importance of the facilitators in reducing corruption. They were instrumental in supporting greater transparency by publicizing the complaint handling systems, in actively encouraging citizens to report complaints, and in bringing communities together to collectively resolve issues when identified.

## 2.7 Sustainability: Benefits that Extend Beyond the Lifetime of the Projects

The strength of the CDD model as a vehicle for local level recovery lies in the long-term benefits of the projects that go well beyond their lifetime. Not only do private and public assets continue to benefit communities beyond project completion, but also the community driven approach results in sustained capacities at local level that benefit village level development planning processes long after the project ends.

### Maintenance of Houses

The extensive involvement of home owners in housing reconstruction contributed to the sustainability of the MDF and JRF housing projects. The KRRP and Rekompak programs produced houses with high occupancy rates, high levels of satisfaction and strong sense of ownership by beneficiaries. This contributed to the houses being well maintained beyond project closure. Indeed, homeowners often went beyond simply maintaining the quality of the houses they were provided by adding and improving the structures over time. This was particularly true in Java, where the approach of providing 'core' housing units rather than complete houses encouraged individual owners to invest their own resources. As a result of the CDD approach, the quality of the houses constructed under the JRF and MDF was not only sustained but also improved over time.

The high occupancy rates of Rekompak houses also demonstrate that giving communities the choices and responsibilities for building their own homes contributes to higher levels of satisfaction.



In Java, Rekompak built “core” houses. These houses are structurally complete and safe and beneficiaries used their own funds to complete the finishes. The house above is typical of those built in Java.

*Photo:  
Rekompak  
Team*

## Sustainability of Empowerment

Through the CDD projects the affected communities were not only able to rebuild their lives, but were also left with a number of practical skills of relevance beyond the projects. These included bookkeeping, simple construction skills, and sufficient skills to oversee projects and understand quality. Women in some of the projects developed skills that allowed them to participate in and influence public decision making. The revolving funds components of KDP and UPP built up the skills of women to manage funds collectively and develop new micro enterprises.

Communities also learned how to collaborate and to negotiate conflicting opinions; these skills were of particular significance in Aceh and Nias. Thirty years of armed conflict in Aceh had left many of the affected communities fractured and individuals distrustful of each other. In Nias community groups often resorted to violence to settle disputes. In both these areas the projects taught groups within communities to work together and negotiate differences through public discussions.

The communities served by the MDF’s and JRF’s community recovery projects were left with increased capacities and confidence to engage with local government. The projects encouraged more positive interaction between citizens and their local governments. Communities became familiar with their local government institutions and their functions, and learned how to interact constructively with them. These capacities continue to be of use beyond the reconstruction programs, helping communities to engage with local governments for improved public service delivery.

Capacities to engage in democratic processes were also strengthened. These included the ability to collectively recognize and prioritize development needs and elect local leaders and representatives. The projects helped communities to identify their reconstruction needs, and then to prioritize them through a participatory process. They also required communities to elect representatives for village committees and working groups. These skills, developed during reconstruction, are of continued value for local level development, particularly in the context of Indonesia's decentralization process.

## Community Driven Mechanisms Beyond Reconstruction

Perhaps the most important lesson that has been learned from the community recovery projects of the MDF and JRF is that the CDD mechanisms can evolve with communities as they move from emergency to early recovery through reconstruction to routine development. In the immediate stage after a disaster, community driven mechanisms can be leveraged to disburse cash or social funds to households. In the early recovery stages, they can be used to identify beneficiaries and needs, target resources to needs, and manage reconstruction actors at local level. During reconstruction, they can be used to manage and oversee reconstruction of physical assets and to develop settlement plans. As reconstruction ends, the community driven mechanisms can be used to help communities and local governments interact constructively. One such example is in Aceh, where the provincial village level development program, known as *Bantuan Keuangan Gampong* or BKPG, leveraged the PNPM structures to allocate development funds to every village.

As communities of Aceh, Nias and Java have moved beyond reconstruction into routine development, the CDD projects have laid the foundations for improved local level social contracts. One of the most significant findings related to social capital in the ACARP report was that "...frequent and regular village meetings help build trust in the community, and engender increased trust of local government leaders as well."<sup>14</sup> In this way, the design of the CDD projects of the MDF and JRF contributed to longer-term sustainable relationships between local level actors, including local government. Like elsewhere in the country under the PNPM program, the CDD mechanisms play an important part in the evolutionary process of decentralization. They strengthen local governments to be responsive and strengthen civil society to hold local government accountable. In this way, community driven reconstruction projects can support the journey towards decentralized, democratic governance long after the post-disaster reconstruction program ends.

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<sup>14</sup> ACARP 2007, 161



## Chapter 3

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# ADDRESSING CHALLENGES IN THE COMMUNITY DRIVEN RECONSTRUCTION APPROACH



The MDF and JRF projects that used a community driven reconstruction approach can point to remarkable achievements. The projects faced a number of challenges and obstacles along the way, however, which provide important lessons for future interventions. Some challenges related to the difficult operating environments in post-disaster Aceh, Nias and Java. Many of these factors are common to most post-disaster scenarios. Other challenges were linked to the community driven approach itself. These are not unique to post-disaster settings but are challenges that projects using the CDD approach have experienced elsewhere, such as difficulties in ensuring the full participation of women and marginalized groups, and in making arrangements for continued operations and maintenance of project outputs after projects close. This chapter examines the challenges and obstacles faced by the MDF and JRF's community recovery projects, looks at the steps taken to overcome them in Indonesia, and makes suggestions for addressing them in future reconstruction scenarios.

### 3.1 Challenges in the Crucial Start-up Phase: Investing Time and Resources

The community driven approach requires significant investment of time in the early stage of project implementation, but the experiences of the MDF and JRF show that the up-front investment is worth it. In a post-disaster reconstruction context, a high premium is placed on speed and all agencies involved are under enormous pressure to deliver visible results quickly. This sometimes deters donors and governments from channeling reconstruction aid through CDD channels, as there is an impression that community driven programs are slow to set up and disburse funds. CDD programs require an investment of time and effort in the initial stages: to hire and train facilitators, establish community committees, put in place monitoring, oversight and complaint handling mechanisms, and make local communities familiar with the programs and the entitlements they bring. However, once these are in place, the programs then quickly disburse large amounts of funds across multiple villages simultaneously. Furthermore, as the programs mature and communities and local governments become comfortable with the mechanisms, CDD programs can be adapted to new needs, thus increasing their overall cost effectiveness.

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KDP facilitators in Aceh were essential to the success of the projects. However, during any reconstruction process, good local facilitators are always in high demand and short supply.

*Photo: KDP Team*

## Disbursement Patterns

The pattern of low disbursements in the initial few months, common in CDD projects, was particularly acute in the aftermath of the tsunami. Despite initial low disbursement rates, within less than two years of commencing all the programs reached satisfactory levels of disbursement and went on to show reasonable overall disbursements, often exceeding planned amounts. Furthermore, the initial investment of time and effort in setting up the projects and identifying beneficiaries through consultative processes paid dividends in the projects' outputs, including a high sense of ownership by local communities, high levels of satisfaction and the general sense that funds were being distributed fairly among communities.

A number of factors, including the enormity of the task, contributed to low initial disbursements. Despite making use of existing KDP structures, time was needed in Aceh and Nias initially to: (a) put systems in place or expand existing structures; (b) recruit and train the huge number of facilitators required; (c) mobilize numerous affected communities and disseminate information; and (d) identify needs and beneficiaries through consultative and participatory processes. Issues at central level in revising budgets and contracts and issuing the authorization of the release of funds also contributed to startup challenges, causing delays of more than nine months. The extent of the devastation after the December 2004 tsunami coupled with the massive influx of reconstruction actors were additional factors contributing to delays in implementation across the entire reconstruction program in Aceh.

## Beneficiary Identification and Verification

The lengthy process of collective targeting and identifying beneficiaries by the communities themselves also contributed to low disbursement in the start-up phases of the projects. This is an important step in any reconstruction project that uses CDD mechanisms, but it is absent in alternative mechanisms such as those using contractors. This is one reason why local level reconstruction that makes use of large professional contractors can disburse larger amounts of funds earlier on. However, the extra time invested at this stage helped to avoid the serious targeting problems with beneficiaries that frequently arose later in non-CDD programs. These early efforts also contributed to higher satisfaction levels, higher quality outputs and better operations and maintenance. Once beneficiaries had been identified and village plans developed, the projects could start disbursing funds at a higher rate. However, it is interesting to note that communities engaged in community driven reconstruction projects were less anxious about delays than beneficiaries of other projects. This has been attributed to the fact that although the project was delayed, community driven project beneficiaries felt actively engaged and in control of the final outcomes. Strong involvement of the communities from the beginning of the process leads them to see the dividends starting at the initiation rather than the completion of reconstruction.

## Resource Requirements: Investing in Facilitators

Finding and retaining good facilitators is crucial to the success of any CDD program but is difficult when demand is high and circumstances are challenging. In a post-disaster scenario, local facilitators are in high demand by NGOs and donors. In Aceh and Nias the competition for facilitators was compounded by the uncommonly high levels of funds at the disposition of reconstruction actors. Competition for skilled facilitators was keen, with the result that reconstruction agencies increased the salaries of facilitators, particularly those required to work in remote and challenging areas such as Nias. The



A couple with documentation for a housing grant provided by Rekompak in Aceh. Beneficiaries were selected by their communities through an open and transparent process.

Photo:  
Kristin  
Thompson

KRRP in Nias experienced a particularly extended period of low disbursement, largely attributed to the difficulties of working in Nias. The problem was further compounded by the government's initial reluctance to adapt the pay scale to the difficult nature of the operating environment, making it difficult to recruit and retain facilitators. The compensation packages and travel allowances for facilitators in Nias were eventually adjusted to reflect Nias' state as a hardship post.

## Escalating Construction Costs

In Aceh and Nias, program costs, including materials and human resource costs, increased during implementation due to inflation and lack of supply coupled with high demand. Unit costs across KDP, UPP and Rekompak therefore increased, meaning that in most cases the number of units to be built was revised downwards. Learning from this experience, the Rekompak program of the JRF changed its approach and, instead

of providing a complete house, it made a commitment to rebuild or repair earthquake-resistant houses, providing a pre-set amount of financing for rebuilding or repair of a “core” house. Owners themselves then used their own resources to complete and fine-tune their houses. This approach has proven to be more practical and efficient, particularly given the case that the levels of aid available in Aceh and Nias were unprecedented and are unlikely to be seen again.

## 3.2 Including Women and Marginalized Groups

One of the core principles of the community driven development approach is to promote broad-based participation in community decision-making. This includes a commitment to increasing the meaningful involvement of women and other marginal groups in the community driven processes. In practice, ensuring the full participation of all members of the community is difficult even under normal circumstances, as women, youth and other socially marginalized groups are often excluded from taking an active role in planning and implementing development activities for a variety of reasons. In a post-disaster situation the challenges of including women and other marginalized groups in community-driven processes become even greater.

All five of the community-driven projects implemented by the MDF and JRF were designed to promote the participation of women and other marginalized groups in community processes. Nevertheless, challenges were faced by all of the projects in ensuring the full participation of all members of the community, in particular, those who were not accustomed to participating in public forums. Women, youths, and other marginalized groups were often not presented in equal numbers at meetings and when they did attend they often did not participate actively. People who had been displaced and were living temporarily away from their village were another group that, by default, were often excluded from participation in village meetings.

Additional efforts were introduced within each project to try to capture the input and ensure the participation of these under-represented groups. However, final project assessments generally indicate that the challenges of including women, marginalized groups and displaced persons was not fully overcome. Indeed, promoting full participation of women and other marginal groups continues to be a challenge for the national CDD program, PNPM, which is now looking at further measures to include women and marginalized groups, such as through PNPM Peduli, an initiative through local NGOs and CSOs to work with marginalized groups.

### Obstacles to Increasing the Participation of Women

Despite a number of initiatives taken to increase the meaningful participation of women, the quality of women’s involvement remained an issue. A number of social and practical obstacles have proven difficult to overcome. The first challenge was related to the numbers of women participating; the number of women attending consultative meetings rarely matched the number of men. A variety of factors contributed to this.





MDF and JRF Rekompak projects promoted women's empowerment and participation in all aspects of community planning and decision making. Here a group of women discuss a model for the proposed reconstruction of their settlement based on the Community Settlement Plan (CSP), which they helped their community develop after the eruptions of Mount Merapi.

*Photo:  
Rosaleen  
Cunningham*

In Aceh, most of the affected villages experienced higher death rates in the tsunami among women than men. Psychosocial stress also undermined women's capacities to participate meaningfully in project activities. Further, in Aceh, Nias and Java, cultural factors impeded women's participation in public meetings. One woman, quoted in the JRF 2009 annual report, stated "...Wives in Javanese society are known as the husband's friend in the back." This suggests that while women in Java may play a significant role in influencing decisions in private forums, they are unaccustomed to contributing in public forums. Other factors limiting the ability of women to participate in public meetings were purely practical. Women JRF beneficiaries interviewed in Central Java said their daily tasks of running their households and looking after their children left them little time to participate in lengthy meetings.<sup>1</sup>

Another challenge related to women's participation was the quality of the contributions from those women who did attend public meetings. All programs found that even when women were encouraged to attend meetings, they were often reluctant to contribute to the discussions. All of the MDF and JRF CDD projects' final assessments identified the quality of women's participation as an issue early in project implementation. Some of the projects adapted their consultative processes to include special forums, formal or informal, specifically for women, in environments where they would feel comfortable to give their opinions and inputs. Despite these adjustments, however, the challenges remained throughout the lifetime of the projects.

<sup>1</sup> For a full discussion of women's role and voice in the MDF and JRF program, see Multi Donor Fund for Aceh and Nias. 2012a. *More Than Mainstreaming: Promoting Gender Equality and Empowering Women Through Post Disaster Reconstruction*.

## Measures to Increase the Participation of Women

The project design documents of all five CDD projects under the MDF and JRF prescribed minimum levels of participation of women in meetings and in managerial roles. However, the projects all faced difficulties in fully achieving the quality of engagement of women that was required to have impact on the project outputs and outcomes. The project designs recognized the value of increasing women's participation but fell short of taking into account the practical obstacles that prevent women from participating in community meetings or in committees. Furthermore, the projects would have benefitted from some of the very practical measures that were used by other World Bank projects in Aceh to include women, had they been better able to incorporate lessons during the project implementation stage.

### Prescriptive Project Design Measures

Experiences of the projects showed that by increasing prescriptive measures to ensure women's involvement in project meetings within the project design, better participation of women can be achieved. In Rekompak in Aceh, for example, the original requirement was for women to make up 30 percent of the representation on village boards and in meetings, but this was difficult to enforce. The program then shifted to more prescriptive methods, using quotas, for example requiring one of the positions of each Housing Group, (e.g. secretary, chairperson, treasurer) to be occupied by a woman, with no husband-wife couples or civil servants allowed. Committees for infrastructure projects also were required to include women. In Aceh, Rekompak meetings were rescheduled to take place at a time more convenient to the schedule of the women of the villages; and at *dusun* or hamlet (sub-village) level, meetings for women only were conducted in conjunction with the general meetings.

These adjustments resulted in higher levels of involvement of women in the consultative and participatory processes and also higher quality of contributions from women in these forums. Overall, according to the beneficiary survey conducted in 2009, the project recorded high levels of satisfaction among women, particularly with the quality of infrastructure.<sup>2</sup>

The KDP project seems to have had more success in encouraging the participation of women. The ICR for the program has the following description: "Women's involvement in various planning and implementation activities was consistently high at about 45 percent of attendees, considerably higher than the 30 percent targets. Also, about 7,000 women's groups participated in, and benefited from, the window allowing community block grant funds to be used for revolving funds to provide capital for women's small savings and loan groups. These funds enabled women to start or expand small-scale economic activities, singly or in groups. Two of the three proposals put forward by a village had to come from the village's women."<sup>3</sup> In the case of KDP, it seems that the

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<sup>2</sup> CSRRP/Rekompak 2010, 25

<sup>3</sup> KDP 2010, 9

prescriptive rules of the project—requiring female village facilitators, a minimum number of female voting representatives to the intervillage meetings, and a minimum number of proposals from women—were effective in increasing the participation of women. The MDF-JRF working paper on mainstreaming gender in post-disaster reconstruction programs concluded that higher levels of women’s participation benefitted the whole community and led to changes in priorities, design and delivery of projects. As one man interviewed in Nias put it, “It’s good to have their (women’s) ideas; their thinking is different and it helps us make better decisions.”<sup>4</sup>

## Specific Women’s Empowerment Initiatives

The UPP project faced difficulties in ensuring the quality of women’s participation despite initially meeting the required 30 percent attendance of women in meetings. A notable adjustment made to the program to address this issue was to reserve \$2.35 million of the block grant funds for sub-projects developed through a women’s empowerment sub-project activity.<sup>5</sup> This had considerable impact and resulted in a noticeable improvement in the participation and financing of activities proposed by women. Women-only meetings helped build confidence and provided a space for women to develop the skills and confidence to engage actively in mixed public fora.<sup>6</sup>

## Public Goods, Public Interests

One key weakness of the CDD approach is that the consultative and participatory processes are not designed to meet the needs of specialized groups within the community, such as the disabled and elderly. The community driven reconstruction processes are designed rather to deliver public goods to address the needs of the general public. The result is that while the reconstruction assets delivered by these programs benefitted the community as a whole, the programs for the most part were not able to accommodate specialized needs. The consultative and participatory processes of CDD lend themselves to consolidating a general, collective opinion of the majority voice in communities. Special attention is therefore needed to identify the specific needs of vulnerable, marginalized or minority groups.

KDP and UPP went to some lengths to address this constraint by including a provision to allocate 25 percent of each block grant for ‘social funds’. These funds were intended to help meet the needs of the poorest tsunami-affected households that were not being met in a timely manner by other agencies or projects. According to the project Implementation Completion Report, these grants contributed greatly to relieving poverty in the immediate post-disaster context by providing either cash or household essentials to households identified as most in need. However, allocations for social funds are not included in the current national PNPM program.

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<sup>4</sup> Multi Donor Fund (MDF) 2012a, 49

<sup>5</sup> Urban Poverty Project 2011, 7

<sup>6</sup> MDF 2012a, 51

### Practical Approaches for Ensuring the Participation of Women: Lessons from the PEKKA Program

The obstacles preventing women participating as actively as men in community decision making included very practical issues, such as lack of time in the daily schedules of women and reluctance to use public transport late at night. These were compounded with behavioral patterns, such as women being more likely to participate in decision making in the private, rather than, public domain. The solutions, therefore, had to be very practical in response and also adjust themselves to the local culture or community behavior.

Having separate meetings for women provided an alternative forum for soliciting their input, since public meetings are typically considered as the domain of men. PEKKA, a program for female-headed households, was running at the same time as the MDF projects in Aceh and aimed to empower the female family heads to participate in community development. This program designed a number of practical innovations to encourage women to participate in decision meetings. These included giving a small travel stipend, which the women were then able to pool to hire private transport to and from meetings and providing incentives to give input by providing lottery tickets to women who spoke at meetings. PEKKA also provided training to village heads, improving their self-awareness of their own gender biases.

This snapshot of the PEKKA program demonstrates that simple measures for including women in village decision making were being practiced at the time of the KDP, UPP, KRRP and REKOMPAK projects in Aceh and Nias. However, none of these measures were adopted by the MDF CDD projects. This highlights a common challenge in project implementation—that projects do not lend themselves to learning and innovation during the implementation phase. Therefore, it is crucial that during either the design or evaluation phase, lessons can be learned and transferred for better implementation of future projects. This is particularly the case when seeking to transfer practical solutions for ensuring greater consideration of gender equality in project design and implementation.

Source: Enurlaela Hasanah Head of PEKKA program in Aceh

### Participation of Displaced People

The participatory processes as implemented in Indonesia's CDD programs required villagers to be physically present in the villages where decisions related to reconstruction were being made. This excluded internally displaced people (IDPs) by default from participating in planning and decision making while displaced. This was particularly an issue in Aceh, where the extent of the devastation made it impossible for many villagers to remain on the land they had once occupied. To overcome this challenge,

multiple meetings were sometimes held. In Aceh, the KDP facilitators worked with the village heads to locate IDPs and to hold meetings in their temporary camps. They also brought together IDPs residing in different locations to make decisions related to the reconstruction of a village. The flexibility of the KDP project also allowed project funds to be used to improve the temporary living facilities of IDPs. Such funds were often used to make improvements related to water and sanitation. KDP's flexibility to find ways to accommodate IDPs contributed to rebuilding not just community infrastructure, but the communities themselves. However, there were also criticisms that while this element of flexibility was positive in helping to restore social cohesion among displaced communities, the efforts to meet the immediate needs of IDPs detracted attention and resources from the principal objectives of the project.

### 3.3 Capacity Challenges

#### The Link Between Quality and Capacities

In some cases where capacities of communities and their facilitators were weak, quality control issues arose that resulted in project delays. The ReKompak project found that there was a link between the quality of housing and the capacities of both community beneficiaries and the facilitators. Particularly in cases where facilitators were required to cover a disproportionately large area, quality control suffered. This points to the central role of facilitators in project implementation success, and underscores the need to have an adequate number of skilled facilitators to ensure the quality of outputs.

### 3.4 Ensuring Continued Operations and Maintenance of Public Assets

The design of the community driven projects did not allow for the use of community block grants for operations and maintenance (O&M) of assets produced under the program. This meant that communities had to look for resources elsewhere. However, the limited budgets of local governments made finding these resources difficult. Funds for operations and maintenance of private goods such as houses were across the responsibility of the individual owners, but finding sources of funding for the operations and maintenance of local level infrastructure proved a challenge.

The nature of the challenge of ensuring sustainability and good operations and maintenance of assets created through community driven reconstruction projects varied with the type of asset. In general, a number of factors influence the degree to which assets rebuilt through the CDD processes are well maintained. These include the following:

- The link between user and asset—the stronger the link between the user and the asset, the easier it is to ensure continued operations and regular maintenance and sustained project outcomes.





UPP restored community infrastructure in over 270 communities in municipalities in Aceh. All assets constructed under UPP, such as this urban road, were handed over to communities or local governments for continued operations and maintenance.

*Photo:  
MDF  
Secretariat*

- Genuine demand for assets by community—good O&M is further reinforced where the principles of collective decision making have been properly applied, ensuring genuine demand for the assets from the outset.
- Existence of an obvious long-term/permanent institution to which the asset can be handed over.

While the public assets developed through the community driven projects did face issues in ensuring long-term sustainable funding for operations and maintenance, this was less acute than with assets developed using other methods. In some cases, local governments lacked a strong sense of ownership for some of the public assets created through the community driven project and in other cases it was difficult to find a local government counterpart that would continue to fund the operations and maintenance after the project ended. Sometimes such issues were resolved when the local communities themselves formed ‘maintenance committees’ and looked for ways to raise funds and implement O&M. Community-driven infrastructure projects with recurrent costs presented a particular challenge for continuing operations beyond the lifetime of the program. For example, schools and health centers generated recurrent staff costs, as teachers, nurses, and midwives were required to operate the facilities. In some cases, fees could be levied, while in most such cases local authorities were encouraged to certify the staff and take on the responsibility for their salaries.

It should be noted that the issues related to responsibility for operating and maintaining assets or not unique to CDD projects. Transfer of assets is a challenge in any reconstruction program. The increased levels of funding available for reconstruction programs and the large number of implementing agencies involved often lead to the generation of assets that are not fully registered or are too expensive to be covered in the regular budgets



of local governments. The CDD processes of ensuring the demand and ownership of local level actors and ensuring the appropriateness of assets mitigates this risk to some degree. In most cases under the MDF and JRF, the communities were willing and able to manage the operational costs of most of the local level infrastructure developed through the CDD projects. This meant that most of the assets built under these projects did not require a formal hand over to local government.

## Principles for Encouraging Better O&M

In principle, community driven mechanisms are best applied to the development of local, village level infrastructure. In the case that this principle is applied, the O&M of the infrastructure is more likely to be within the means of the communities themselves. Local communities are not equipped to operate and maintain larger infrastructure, which should fall under the jurisdiction of local government. The link between the two levels of infrastructure, whereby community driven infrastructure is linked to district, provincial and national networks under higher level government administrations, is important to support good O&M. While the O&M of assets generated through the CDD approach continues to be a challenge, some principles for future post-disaster situation can be drawn from the KDP, UPP, REKOMPAK and KRRP projects. These include:

- ensure a genuine need for the assets and demand from the communities by properly applying the principles for CDD planning and decision making;
- socialize operations and maintenance to all stakeholders throughout the project;
- ensure that local government and local communities are aware of O&M challenges throughout implementation;
- ensure project planning includes discussions on operations and maintenance, and asset transfer;
- identify possible institutions for hand-over early on and keep them engaged;
- provide practical training and ideas for O&M to communities and local governments to ensure O&M is planned for and budgeted.

The MDF and JRF experience points to the need for clear arrangements for ownership of newly built community infrastructure and appropriate handover of assets to local authorities to be put in place at the beginning of a reconstruction program.

## Chapter 4

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# LESSONS FOR FUTURE LOCAL LEVEL RESPONSE AND RECOVERY



## 4.1 Factors for Success in Community Driven Reconstruction

The evidence from Indonesia clearly underscores the many benefits of using large-scale CDD programs implemented through government systems to deliver reconstruction at village level. Beyond delivering quality, cost-efficient physical outputs, the community driven reconstruction programs in Aceh, Nias and Java have demonstrated less tangible but exceptionally important social benefits. These include greater social cohesion, strengthened local institutions, and improvements in the social contract between government and civil society at local level.

The clearest lesson from the Community Driven Reconstruction experiences of the JRF and the MDF is that the pre-existence of community driven mechanisms can greatly increase the speed of local level recovery. The MDF was able to build on the existing KDP and UPP programs, making use of the existing guidelines and manuals, the networks of facilitators including engineers, and the existing delivery mechanism for channeling funds to the local level. The KDP and UPP programs were able to quickly scale up while the Rekompak model was able to make use of KDP and UPP experience at central level, and their structures and facilitators at subnational level. KRRP was able to adapt the Rekompak model for the specific needs of Nias, while the Rekompak project in Java was able to evolve further again based on experiences in Aceh and Nias and adapted to the local circumstances.

However, it is important to recognize that different enabling environments will have their impacts on project implementation, and as much as possible, it is worth capturing this in project design. This chapter discusses factors that influenced the success of project implementation in Indonesia and looks at a number of considerations that are useful for future project design.

### The Enabling Environment

#### Strong Political Support

Political support for the CDD programs existed in Indonesia before the Asian tsunami in 2004. The well known KDP program had been in existence since 1998, and the UPP since 1999, so the Indonesian government had a full appreciation of the community driven development approach including its benefits and its weaknesses. When the tsunami hit, there was political support for the use of community driven mechanisms

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A village road project built by Rekompak in Wonoharjo, Ciamis, West Java provides easy access to evacuate people in case of a disaster.

*Photo: Rekompak Team*

to deliver reconstruction at the highest level. In a country with no previous experience of community driven approaches or with negative experience, the support for their use in reconstruction may be difficult and time-consuming to garner. In such cases, it will require a very clear description of how the CDD program would function with a strong results framework and simple, appropriate implementation mechanism that takes into account the local realities at ground level. Small-scale CDD programs may be possible in the absence of political support. However, this type of program may not deliver many of the benefits of a large-scale, government-implemented program, such as improvements in citizen-state relations at local level.

### **Substantial Support from Teams of Experts**

In response to the December 2004 tsunami, the World Bank Indonesia provided substantial, targeted support to the Government of Indonesia throughout each stage of recovery and reconstruction. In the immediate aftermath of the disaster, the World Bank fielded a team of experts to support Indonesian's National Development Planning Agency (*Bappenas*) to develop damage and needs assessment and formulate a Master Plan that would guide the reconstruction program. This expert support helped the government to develop a clear framework to guide reconstruction, within which the role of the CDD approach for local level reconstruction was clearly outlined.

Furthermore, as a partner agency supporting the implementation of projects funded by the MDF, the World Bank fielded large, hands-on teams for all of the CDD projects to support project design, facilitation of implementation and supervision. These teams were actively and continually involved in supporting smooth implementation, working with the government implementing agencies to solve problems and work through obstacles. This involvement of the World Bank helped to coordinate valuable project information from field level, trigger innovation and prevent corruption. In any large scale community driven development project implemented by the government, it is important to have a third party to complement and support the role of the government.

### **Government Capacities for Implementing the CDD Approach**

At the time of the tsunami, the Ministry of Home Affairs and the ministry of Public Works were both already engaged in the implementation of KDP and UPP. While it took some time to scale up the projects and then adapt the approach to create Rekompak, the existing experience and capacities within these ministries greatly reduced the start up time of the projects. By the time the Rekompak model was adapted for the Yogyakarta and Central Java earthquake, the Ministry of Public Works, learning from the experience in Aceh, was sufficiently adept at implementing the program so that the start up time was considerably reduced. In a scenario where the government counterpart has no existing capacities to deliver community driven reconstruction programs, it will take a greater investment of time and resources in the start up phase of the program. Interim arrangements may need to be sought while the Government builds its capacities to implement. Interim arrangements that could be considered include using an international agency with community driven



development experience to support the early phases of the CDD program, as was the case with the JRF transitional housing program implemented by the International Organization of Migration (IOM) in Java, which provided emergency shelter while the Rekompak program was in the process of scaling up.

### Investing in Facilitators

As CDD programs rely heavily on good facilitators, the availability of human resources skilled for the role can affect the set-up time. All the programs under the MDF and JRF suffered delays of some degree due to the time taken to hire and train facilitators. This was particularly the case in KRRP in Nias. Therefore, the time that will be needed to recruit and train facilitators needs to be considered in the program design. In difficult or remote locations, even more so those affected by disaster, facilitators will have to be remunerated competitively and operational allowances will have to be set at rates appropriate for prevailing costs, which can be greatly inflated and frequently changing. It is interesting to note that largely based on its CDD experience, Indonesia is now in the process of establishing recognition for 'Community Facilitator' as a legally recognized and certified profession.

A number of additional measures were taken by the projects to hire and retain good facilitators. They include:

- More facilitators were allocated to the projects, reflecting the substantially higher workload and pressures to deliver in a reconstruction context.
- A different mix of facilitators was hired, including information facilitators, engineers, and social workers, reflecting the greater complexities that exist during a reconstruction effort.
- Facilitators were given higher compensation to reflect the difficult working environments.
- Additional training and other support were given to ensure high levels of motivation during difficult times and in difficult working environments. This included additional travel allowances and additional support for improving living conditions. In cases where facilitators themselves were also impacted by disaster, as was the case in Aceh, facilitators may need support to overcome personal trauma or distress.

### Legal Frameworks

In Aceh, Nias and Java, the programs benefitted from legal frameworks that could recognize community adjudication. Therefore, communities could develop settlement plans and identify plots with their owners in the knowledge that they would be legally recognized. Regarding the transfer of block grants to community accounts, this mechanism existed already in Indonesia at the time of the tsunami, saving significant time.

Such legal frameworks may not exist in other countries hit by natural disaster. Therefore, when applying CDD principles to reconstruction it is important to consider the legal constraints. Addressing legal constraints does not necessarily require new laws; decrees and regulations that are program specific or are related to disaster response can suffice, at least in the interim.

## 4.2 Key Lessons for Community Driven Reconstruction

The MDF and JRF projects have highlighted numerous immediate, short-term and long-term benefits of implementing local level reconstruction through a community driven process. A number of lessons have emerged from Indonesia's experience that would assist those setting up future community driven reconstruction programs in the aftermath of a disaster. They include the following:

- 1. Base the design of CDD mechanisms on sound local analysis of the social make-up environment.** For the design of a CDD program to be successful, it must be founded on a full understanding of the local situation. Beyond the local level damage and needs assessment, an appropriate analysis is required to look at questions such as: What social units remain in the aftermath of the disaster that can lend themselves to the CDD process? What are the capacities of affected communities to work together and make decisions? How is money managed by local communities? To what extent have local administrations been affected? And which local leaders are still in place, capable and trusted? In the case of a major disaster such as the December 2004 tsunami, this analysis must take into account the possibility that the disaster may have dramatically changed the nature in which social units operate. A village level post-disaster assessment should therefore include a rapid but thorough analysis of social conditions if a community driven reconstruction program is to be considered. Again, having a CDD program in place before disaster strikes that can be scaled up and adapted for reconstruction is a big advantage.
- 2. Select a multidisciplinary operational team.** A range of skills in community-based approaches as well as technical expertise and knowledge of government systems are needed by operational staff and facilitators. Indonesia's positive experience in implementing CDD programs has been due to a large extent to the ability of the operational teams to navigate a path between social capital and the unstated ways in which local institutions form and function on the one hand, and the formal bureaucratic procedures by which donors and state channel funds on the other. In a post-disaster reconstruction program, the picture becomes more complex with the addition of more funds, more actors, greater urgency, and less clarity. Therefore, it is crucial that a multi-disciplinary team is created that can understand the full complexity of the post-disaster environment, and has the ability to bring together formal state and donor institutions with the local institutions in disaster affected communities.
- 3. Empower local communities to carry out planning and decision making processes for their own recovery.** Providing hands-on opportunities through community planning exercises and the identification and implementation of physical reconstruction activities builds skills and capacity for continued community development. Whatever the design, the planning and decision making processes must be localized with broad decision making authorities. Furthermore, there should be little intervention from



higher-level authorities beyond facilitation and oversight. This approach has been shown in the cases of the JRF and MDF projects to lead to greater levels of local ownership, more appropriate selection of local level reconstruction projects, and more accurate targeting of funds.

- 4. Invest in good facilitators and support their work.** All five MDF and JRF community-driven projects concluded that good facilitators; were crucial to the success of the projects. Therefore, they need to be recruited early, continuously trained and supported to do their job. They need to be given the flexibility to adapt to the local environment in which they work, and held accountable for their performance. In difficult conditions, such as heavily impacted or remote areas, additional incentives will be needed to attract and retain good facilitators. This will be the case in any reconstruction program where the demand for local facilitators is high. A network of good facilitators who are available on call is very much worth the investment in human capital, for use in different circumstances and disasters.
- 5. Develop clear and simple systems, procedures and guidelines.** Invest in establishing systems as early as possible. Systems, procedures, and guidelines need to be transparent and simple in order for them to be understood by all actors at local level. Facilitating clear understanding of how the entire process works, in terms of steps, scope and timing is important for all actors and will ensure that communities are empowered to participate in the processes.
- 6. Ensure systems, guidelines, and procedures are widely publicized and understood.** This will ensure transparency and support greater accountability. Facilitators need to know what to do and communities need to know what their entitlements are. A simple Operations Manual can support greater transparency as does the wide dissemination of information via public information boards. In cases where a pre-existing CDD mechanism is used for post-disaster reconstruction, it is better this is done on the basis of a pre-prepared manual or pre-agreed adjustments for disaster situations.
- 7. Ensure timely distribution of funds.** Minimizing unnecessary delays in disbursing funds to community groups is critical for maintaining motivation to participate and keeping commitment and satisfaction levels high. Funds need to be available to disburse to villages in order to build credibility and encourage individuals to invest time and energy in the CDD processes. The best-case scenario is un-earmarked block grants that villagers can plan and prioritize the use of. Once the systems are set up, minimizing unnecessary delays in disbursing funds to community groups is critical for maintaining motivation to participate, and keeping commitment and satisfaction levels high. This is particularly the case in post-disaster reconstruction where responses need to be speedy and where NGOs and donors offer other choices.

8. **Establish systems for ensuring transparency and accountability.** The credibility of the CDD program depends on simple and transparent systems for financial and information management shared widely and openly among stakeholders. A simple Management Information System (MIS) should be set up early on. The MIS needs to be able to account for funds used and results achieved, and show progress during planning and implementation as well as problems encountered and resolved.
9. **Develop a highly visible and robust complaint handling mechanism.** To ensure accountability and credibility of the program at all levels, a simple complaint handling systems is needed. This system needs to be simple enough for anyone to file a complain tand receive a response. Systems should be accessible to all, highly publicized, and responsive, while information on resolution must be provided in a timely and consistent manner.
10. **Include measures for ensuring the full participation of women and marginalized groups.** Setting targets for women’s participation is a good first step but does not address the quality of participation. Separate groups for women help encourage and support leadership, and other mechanisms to increase the quality of women’s participation and voice in the reconstruction process can result in better outcomes for everyone.



JRF Rekompak’s website being accessed from a personal computer. Clear, accessible and transparent communication was a key component in Rekompak’s success.

Photo:  
Christiani  
Tumelap

### 4.3 Conclusions: Adapting Community Driven Reconstruction in Other Settings

A key lesson from the experiences of the JRF and the MDF is that pre-existing CDD mechanisms can be adapted for the purposes of local level reconstruction and can bring significant immediate, short, medium and long-term benefits for communities that have suffered from a natural disaster. In Indonesia the government is now taking this approach beyond the MDF and JRF and adapting the community driven approach to post-disaster recovery, especially the Rekompak approach to housing reconstruction, into its national disaster response program and ongoing community empowerment program. Even when pre-existing mechanisms are not in place, community driven approaches to reconstruction can be easily implemented to support local recovery.

Establishing mechanisms for community driven reconstruction in the aftermath of a disaster may not appear to deliver immediate benefits due to the investment of time required. However, by engaging communities from the beginning of the process, community driven reconstruction mechanisms allow communities to experience the reconstruction dividends even before physical works are completed, and are beneficial throughout subsequent stages of reconstruction and beyond. Therefore, the establishment of community driven reconstruction mechanisms should be considered in any major reconstruction program.

The MDF and JRF experiences have shown that local level recovery using a community driven approach can result not only in cost-effective physical outputs, but also in empowered communities, with greater capacities and more prepared to face future disasters. In Aceh, Nias and Java, the community driven reconstruction model delivered quality physical outputs and important social benefits, ranging from faster social recovery to more empowered, more resilient communities in the long term. Based on Indonesia's experience, community driven reconstruction should be considered by policy makers in other contexts as an efficient and effective option for delivering local level recovery and achieving sustainable social benefits for communities affected by disasters.

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# ANNEXES





## PROJECT PROFILE – KDP

Community Recovery through the Kecamatan Development Project (KDP)		
Location:	Aceh and Nias	
Total Project Cost:	US\$113.8 million (not including contributions from communities themselves)	
MDF Grant Amount:	US\$64.70 million (additional funds of US\$49.1 million were provided by the Government of Indonesia, DfID, CIDA and AusAID)	
Implementing Agency:	Ministry of Home Affairs	
Implementing Period:	August 25, 2005 – December 31, 2009	
Project Components:	Grants to kecamatan	US\$94.6 million
	Planning Grants	US\$4.7 million
	Facilitator Consultant Services	US\$10.3 million
	Capacity Building Activities	US\$3.4 million
	M&E	US\$0.8 million
Number of villages covered:	Approximately 3,000 villages across Aceh and Nias received MDF-financed block grants	
Description of project:	The KDP supported the recovery of villages by providing block grants to communities to reconstruct priority village infrastructure, using the pre-existing KDP community driven processes. The project expanded the pre-existing KDP network and, in addition to block grants, provided emergency social assistance funds, rotating credit/loan facilities, scholarships, capacity building activities and planning grants.	
Project Outputs	Roads repaired/constructed	2,399 kilometers
	Bridges repaired/constructed	932 units
	Irrigation and drainage	1,238 kilometers
	Water storage reservoirs	180 units
	Sanitation units	778 units
	Village markets	26
	School buildings	292
	Health clinics/post	11
	Value of scholarships	US\$326,270
	Number of recipients	6,074
	Amount for loans	US\$1,415,460
	Number of recipients (all female)	7,001
Number of groups	554	
Emergency funds	US\$4,369,310	

Teamwork and community social cohesion improved the lives of residents in 3,000 villages in Aceh and Nias through the Kecamatan Development Project. Bulk grants provided by KDP helped communities realize development needs identified by the affected community, such as the construction of schools, markets, offices and clinics.

Photo: Kristin Thompson

## PROJECT PROFILE – UPP

Community Based Settlement Rehabilitation and Reconstruction Project (CSRRP or REKOMPAK)		
Location:	Aceh	
Total Project Cost:	US\$17.45 million <sup>1</sup>	
MDF Grant Amount:	US\$17.45 million	
Implementing Agency:	Ministry of Public Works	
Implementing Period:	August 2005 – December 2009	
Project Components:	Shelter, Repair/Reconstruction sub grants	US\$4.17 million
	Block grants for priority local infrastructure	US\$11.13 million
	Project Implementation Support	US\$1.02 million
	Project Support/M&E	US\$1.13 million
Number of communities supported:	273 urban communities	
Description of project:	<p>UPP supported community recovery through block grants to rehabilitate and develop community infrastructure, using the community driven and participatory planning approach. Elected neighborhood committees and volunteers conducted damage assessments, developed plans and prioritized activities. The project also provided social assistance grants to nearly 39,000 households. It also provided scholarships and social aid to households selected by the communities themselves.</p>	
Project Outputs	Roads repaired/reconstructed	231 kilometers
	Reconstruction of bridges	1,380 meters
	Drainage	176 kilometers
	Clean water projects	4,915 units
	Waste disposal facilities	806 unit
	Sanitation units	405 units
	School built/equipped	159
	Town/village halls	120
	Health clinic/posts	29
	Students receiving scholarships	3,430
	Value of scholarships	US\$74,043
Social aid funds	US\$1,218,374	

<sup>1</sup> Original grant amount was \$17.96 million, including unspent balance of \$0.5 million



## PROJECT PROFILE – KRRP

Kecamatan Based Reconstruction and Rehabilitation Planning Project (KRRP)		
Location:	Nias	
Total Project Cost:	US\$46.68 million	
MDF Grant Amount:	US\$20.21 million <sup>2</sup> (the additional 50% came from the Government of Indonesia- BRR amounting US\$26.47 million)	
Implementing Agency:	Ministry of Home Affairs	
Implementing Period:	February 2007 – June 2011	
Project Components:	Grants to kecamatan	US\$46 million
	Planning Grants	US\$2 million
	Consultant Services	US\$3.1 million
	Incremental Operating Costs	US\$0.4 million
Number of villages covered:	126	
Description of project:	KRRP contributed to the reconstruction of Nias Island by supporting local leveling planning and providing grants for housing, local level infrastructure, cultural and environmental activities. The project adapted the community driven processes of KDP and Rekompak. KRRP filled gaps in the housing reconstruction, targeting areas not covered by other agencies. These areas were often remote and difficult to reach.	
Project Outputs	Houses	4,491 houses, 100% occupied, representing about 37% of the total number of houses reconstructed in Nias. These figures exceed the original targets of the project.
	Schools	100 units—these facilities are being used by approx. 20,000 students and teachers
	Village halls/office buildings	110 units
	Roads	131 kilometers
	Water supply	11.8 kilometers
	Basic infrastructure projects	149 completed sub-projects—84.55% of these projects were rated ‘fair to excellent’

<sup>2</sup> Original grant amount was \$25.75 million, including unspent balance of \$5.54 million

## PROJECT PROFILE – REKOMPAK ACEH

Community Based Settlement Rehabilitation and Reconstruction Project (CSRRP or Rekompak)		
Location:	Aceh and Nias	
Total Project Cost:	US\$86.2 million (not including community contribution)	
MDF Grant Amount:	US\$85 million (remaining amount from Gol)	
Implementing Agency:	Ministry of Public Works	
Implementing Period:	October 2005 – April 2010	
Project Components:	Shelter, repair/reconstruction sub-grants	US\$50.3 million
	Block grants for priority local infrastructure	US\$20.4 million
	Project Implementation Support	US\$11.8 million
	Project Support/M&E	US\$3.7 million
Number of villages supported:	180 villages received housing and/or infrastructure support	
Description of project:	<p>Rekompak used the community driven approach of the UPP to provide support to repair and reconstruct houses using a community driven approach. The project also supported communities to develop Community Settlement Plans (CSP) which were then used as a basis to develop and implement activities to repair or construct local infrastructure. More than 97 percent of Rekompak houses are occupied. The project also provided a platform for international partners to support the governments own agenda to rebuild communities, and was one of the few housing projects to also address the needs of renters and squatters.</p>	
Project Outputs	Destroyed houses reconstructed	7,964
	Damaged houses rehabilitated	6,999
	Community Settlement Plans developed	126
	Village road repaired/constructed	133
	Irrigation and drainage repaired/constructed	142 kilometers
	Clean water, water storage and wells	173 units

## PROJECT PROFILE – REKOMPAK JAVA

Community based Settlement Rehabilitation and Reconstruction Project (CSRRP or Rekompak)		
Location:	Yogyakarta, Central Java and West Java	
Total Project Cost:	US\$76.12 million	
MDF Grant Amount:	US\$75.12 million (US\$1 million from GoI)	
Implementing Agency:	Ministry of Public Works	
Implementing Period:	February 2007 – June 2012	
Project Components:	Housing Structures	US\$33.5 million
	Community Infrastructure	US\$25.1 million
	Capacity Building of Local Governments and Communities	US\$5.8 million
	Project Management	US\$10.7 million
Number of villages supported:	Over 256 villages	
Description of project:	<p>Rekompak in Java applied and improved the REKOMPAK Aceh model to provide assistance using a community driven approach. The project supported communities affected by the 2006 earthquake in Yogya and Central Java, those affected by the earthquake and tsunami in West Java in 2006, and those affected by the Merapi volcano in Yogyakarta in 2010. The project helped to repair and reconstruct earthquake resistant houses, prepare Community Settlement Plans (CSP) and implement community infrastructure activities. The project demonstrated the flexibility of the model in responding to different natural disasters.</p>	
Project Outputs	Houses rebuilt to seismic- resistant standards	15,180
	Housing Community Groups established	1,325 groups consisting of 15,222 households
	Community Settlement Plans developed	265
	Village roads, culverts and footpaths	846
	Retaining wall projects	1,115 projects
	Bridges	99
	Water supply and sanitation facility restoration projects	400
	Heritage restoration projects	45
	Emergency evacuation meetings points created	40

## Background to Indonesia's National CDD Experience

The concept of using CDD as a part of the government program for poverty reduction in Indonesia was first introduced as part of Indonesia's development planning by Presidential Decree by President Soeharto in 1992. However, it was not until 1998, in response to the Asian financial crisis that this principle of involving communities in their own development was captured in a government development program. The Kecamatan Development Program (KDP) started in 1998, and covered over 500 sub-districts. It provided a flexible platform through which the government was able to quickly respond to the stresses and shocks of the Asian financial crisis at local level. After the financial crisis, the KDP program and its urban counterpart, the Urban Poverty Program (UPP), became important elements of Indonesia's poverty reduction program. These programs were able to deliver tangible services at local level in a context of large-scale institutional change. Since 2009, under the new name of Program Nasional Pemberdayaan Masyarakat (PNPM or Indonesia's National Community Empowerment Program), the national CDD program is present in all sub-districts, rural and urban, covering all 78,000 villages in Indonesia. The program's rural component alone encompasses approximately 77.1 million active participants this year and accounts for approximately 1 percent of the national budget (US\$1.5 billion).

The principles behind the PNPM include;

- A national commitment to a 'rights-based' approach to development – support at the highest level of government for involving communities in their own development. This support has been further strengthened since the December 2004 tsunami and the multiple disasters in Java.
- Streamlining bureaucracy from central to local government in the disbursement of funds, thus reducing possibility for corruption of pro-poor programs.
- Increasing community participation through open forums.
- Strengthening traditional community institutions.
- Balancing a top-down approach of development to allow people a voice in directing development in their locality.

### Use of Direct Transfers

Indonesia's CDD programs, including those of the MDF and the JRF, make use of government mechanisms to transfer funds directly to community accounts. This mechanism transfers funds directly from a regional office of the national treasury, upon endorsement of the local government project officer, to these local level accounts and to villages when the funds are needed. In this way, funds bypass multiple layers of government bureaucracy and reduce the potential for misuse and corruption

of funds and significantly reduce delays. To give an idea of the amount of funds the government channels through this mechanism, the national CDD program, PNPM, in 2010 channeled approximately US\$740 million to roughly 61,000 villages in the fiscal year 2009-2010. Roughly US\$139 million of these block grant funds was contributed by district level governments.

## Use of Facilitators

The decision to recruit consultant facilitators, rather than using only local civil servants, was initially met with some reluctance. Indeed, facilitators are today still referred to as an ‘overhead’ cost rather than an investment in local development, capacity building and empowerment. However, experience has shown that the independent nature of facilitators and their dedicated, full-time service are key factors in the success of CDD programs in Indonesia, even more so in disaster recovery situations. Furthermore, the PNPM program has created employment for a large number of young graduates and has also resulted in a resource base of highly trained individuals who are competent in interacting with both civil society and government and improving the social contract.

## Initial Stages of KDP and UPP

CDD as a mechanism to deliver local level development became quickly popular with local government, many of them adding funds from local budgets to complement the block grants coming from central government. A mandatory local government contribution was also introduced; and this is now set at between 5-20 percent, depending on local fiscal capacity. These funds provide co-financing for village investments. This along with program requirements such as the need for the signature of the sub- district head for release of funds and mandatory monthly monitoring meetings chaired by local officials have ensured that the program is fully integrated with government administration at all levels and its results and challenges are well known.

The initial stages of KDP and UPP required intense supervision on the part of both the World Bank and also the Ministry of Home Affairs, the implementing agency, and focused on short-term choices for village level interventions. This focus on delivering tangible outputs early on in the program helped to build the credibility at local level and encourage communities to invest time, effort and resources. Now additional efforts are made to ensure villagers plan for a number of years and that project generated priorities and plans are integrated into official local development plans, allowing village priorities to better link up to district level local government priorities, investments and services.

## ACRONYMS AND ABBREVIATIONS

ACARP	Aceh Community Assistance Research Project - a joint project of BRR, AusAID, World Bank, UNDP, Muslim Aid, CRS, Oxfam and Syiah Kuala University
AusAID	Australian Agency for International Development
Bappenas	Badan Perencanaan Pembangunan Nasional (National Development Planning Agency)
BKPG	Bantuan Keuangan Gampong (Gampong Financial Assistance)
BRR	Badan Rehabilitasi dan Rekonstruksi (Agency for the Reconstruction and Rehabilitation of Aceh and Nias)
CDD	Community Driven Development
CSP	Community Settlement Plans
CSRRP	Community Based Settlement Rehabilitation and Reconstruction Program
BDL	Bantuan Dana Lingkungan (Community Settlement Grants)
DRR	Disaster Risk Reduction
DfID	Department for International Development (UK)
ICR	Implementation Completion Report
IDP	internally displaced people
IDR	Indonesian Rupiah
IOM	International Organization of Migration
KDP	Kecamatan Development Program (the government program for poverty reduction that used CDD to deliver resources to rural communities, now known as PNPM Mandiri)
KDP-BRA	Community Based Reintegration Assistance Project
Kecamatan	Sub-District
Kelompok belanja bersama	Community groups that buy materials together in REKOMPAK Java
Kelompok Siaga Bencana	Community Disaster Preparedness Group
KRRP	Kecamatan Based Recovery Reconstruction and Rehabilitation and Planning Project
KP	Kelompok Pemukim (Community Housing Groups)
MIS	Management Information System



O&M	Operations and Maintenance
PEKKA	Pemberdayaan Perempuan Kepala Keluarga (Female Headed Household Empowerment Program)
PMU	Project Management Unit
PNPM	Program Nasional Pemberdayaan Masyarakat (Indonesia's National Community Empowerment Program)
Rekompak	Rehabilitasi dan Rekonstruksi Masyarakat dan Permukiman Berbasis Komunitas (Indonesian translation of CSRRP)
Rekompak Peduli	Interim REKOMPAK program set up in Yogyakarta in the immediate aftermath of the earthquake, funded by the Government of Indonesia
UN	United Nations
UNDP	United Nations Development Programme
UPP	Urban Poverty Project
US\$	United States Dollars; US \$1.00 = Indonesian Rupiah 9,000 on average

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Tower 1, 9th Floor

Jl. Jendral Sudirman Kav. 52-53

Jakarta 12910, Indonesia

Tel : (+6221) 5299-3000

Fax : (+6221) 5299-3111

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