

REPORT ON THE YOGYAKARTA-CENTRAL JAVA EARTHQUAKE DISASTER

I. The Disaster and Its Impact

1. The 27 May 2006 earthquake hit the Provinces of Yogyakarta and Central Java at 5:53 a.m. local time, with its epicenter estimated at about 30 kilometers south of Bantul district in Yogyakarta Province. The first earthquake measured 6.2 on the Richter Scale. Subsequently, about 750 aftershocks have been reported, with the largest intensity recorded at 5.2. Coming within a short span after the earthquakes and the tsunami in 2004 and 2005, the recent disaster is a reminder of the natural perils facing the archipelagic country. Based on latest available information, more than 5,100 precious human lives have already been lost. About 9,000 individuals are estimated to have been injured, though estimates vary up to 20,000 individuals. About 200,000 people are estimated to have been displaced and rendered temporarily or permanently homeless. Table 1 presents data on the death toll and injuries, and the map in Attachment 1 shows the affected districts.

Table 1: Death Toll of the Central Java Earthquake

Province District/Municipality	Death Toll	Number Injured
Yogyakarta	3,464	5,142
Bantul	3,082	3,628
Yogyakarta	151	256
Sleman	174	119
Kulonprogo	15	354
Gunung Kidul	42	785
Central Java	1,672	3,443
Klaten	1,668	3,158
Magelang	1	285
Boyolali	3	-
Total	5,136	8,585

Source: Ministry of Social Affairs (update as of 29 May).

2. **Extent of Physical Damage:** Early reports and assessments indicate that the districts of Bantul and Yogyakarta in Yogyakarta Province and Klaten in Central Java Province have suffered widespread damages. Table 2 presents details in an illustrative manner.

Table 2: Summary of Impact

Category	Damages and Current Status
Housing	39,000 houses completely destroyed; and about 23,600 partly damaged. Local authorities and the army have set up tents, and temporary shelters are under construction
Power distribution	Three distribution towers damaged; power supply largely restored
Roads	Several roads and bridges damaged
Airport	Runway suffered cracks; and the terminal building partially collapsed. Air traffic restored on 29 May
Water supply	Bantul is the worst affected; relief efforts focused on getting clean water
Hospitals and Schools	Facilities in Bantul suffered damages – being assessed
Culture	Historic Prembanan temple suffered minor damages; Borobudur reported to be intact

3. **Economic Impact:** The most affected districts vary in terms of their predominant sources of livelihood. Agriculture and services together account for 28-40% in Bantul, Klaten and Sleman districts, while trade and services account for over 50% of total output in Yogyakarta – it being more urbanized, and its place as the center of culture and tourism. As Klaten and Bantul also have a manufacturing base, which is likely to have been affected by the earthquake. Table 3 presents sectoral distribution of regional output in the four most affected districts.

Table 3: Percentage Distribution of District Level Regional Product in the Earthquake-affected districts (2003)

Economic Sector	Bantul	Sleman	Jogyakarta	Klaten
1. Agriculture	20.9	13.3	0.6	17.5
2. Mining	1.3	0.6	0.0	0.6
3. Manufacturing	15.0	16.6	10.7	23.4
4. Electricity, Gas, and Water	0.6	0.8	1.2	1.2
5. Construction	10.0	10.8	5.6	9.4
6. Trade, Hotel, and Restaurants	17.4	18.5	20.3	27.1
7. Transportation and Communication	8.1	10.7	16.2	3.9
8. Banking and Finance	7.1	12.0	15.4	5.2
9. Services	19.6	16.7	30.1	11.7

4. Initial assessments indicate that most of the impact has been suffered by the private sector, in the form of damages to private assets such as houses, other buildings, vehicles and equipment. Preliminary figures available from the Government indicate that the immediate relief and rehabilitation efforts – primarily in the form of provision of essential supplies and restoration of public goods - will require about \$115 million. Various line ministries and oversight agencies are conducting impact assessments in their sectors.

II. Government's Immediate Response

5. The National Disaster Management Agency (BAKORNAS) has undertaken the initial coordination of emergency relief and rescue efforts, in close cooperation with the Coordinating Ministry of People's Welfare, Ministry of Social Affairs, the military, local governments, and various United Nations agencies. President Susilo Bambang Yudhoyono has been in Yogyakarta since 27 May, arriving there hours after the disaster, and has set up an office to personally monitor the emergency relief efforts.

6. The resources and supplies mobilized include the following:

- Two battalions of the Indonesian military, supported by teams of medical staff, paramedics and supplemented by two Hercules transport planes for logistics and evacuation;
- Eighteen field hospitals set up by Ministry of Health;
- Essential supplies of water, food, tents and beds, coordinated by Ministry of Social Affairs; and
- Transport and logistics assistance by Ministry of Transport.

7. Vice President Jusuf Kalla, as the Head of BAKORNAS, has announced that the Government will provide: (i) Rp.30 million (\$3,225) to those whose houses were severely damaged, and Rp.10 million (\$1,075) for houses with minor structural damage; and (ii) about Rp.250,000 (\$27) per household per month for the affected families for one year.

8. Coordinating Minister Boediono met with the donor community on 29 May. The Government's intention is to plan for the immediate relief, and the medium-term rehabilitation and reconstruction in an integrated manner. The Government will focus on:

- Rehabilitation of houses through the village and sub-district structures, through the provision of block grants (over 6-12 months);
- Rehabilitation of public facilities (within 12 months); and
- Revival of economic activity (to be initiated during the relief phase).

9. **Local Government Capacity:** Unlike in the case of Aceh, the local governments in the affected regions are reported to have better planning and implementation capacities. The Government of Indonesia is yet to announce the coordination arrangements for the rehabilitation and reconstruction process. It is envisaged that the national Government will play more of a coordinating and less implementation role, in comparison with Aceh and Nias.

10. **Damage and Loss Assessment (DLA):** The Government, through the National Development Planning Agency (BAPPENAS), will work with the development partners in undertaking the DLA.

III. International Response

11. The international community has been swift in its response. Various UN agencies have mobilized essential emergency relief supplies, besides medical and other disaster management personnel. The UN Team has established a main coordination center at Yogyakarta and a liaison office in Klaten. Bilateral aid pledges for the immediate emergency phase have begun to come in, estimated at present at about \$30 million.¹ The International Red Cross has issued an appeal to raise \$10 million.

IV. Asian Development Bank's Response

12. Director General of SERD arrived in Jakarta within one day after the disaster, and met with Vice President Jusuf Kalla and Minister of Finance Sri Mulyani, to offer condolences and support on behalf of ADB. On 30 May 2006, President Kuroda arrived in Central Java, and traveled by road from Solo, through the affected areas, to Yogyakarta. President met with President Susilo Bambang Yudhoyono.² President later traveled to Bantul District, the worst affected area in terms of death toll and physical damage, where he met with Coordinating Minister for People's Welfare Bakrie and discussed the relief progress.

13. **ADB's Financial Support:** President Kuroda has offered the Government of Indonesia \$10 million in immediate grant assistance. Given the significant loss of human lives and livelihood, grant support from ADB has been appreciated by the Government. In addition, President has indicated that ADB could, based on findings of the DLA, provide \$50 million in

¹ These figures are preliminary, based on information compiled by ADB staff. They need to be verified and reconfirmed.

² The other cabinet members who joined the meeting include: Ministers Boediono (coordinating minister for economy); Sri Mulyani (finance); Siti Fadilah Supari (health); Sudi Silalahi (cabinet secretary).

soft loans to help meet the rehabilitation needs. President Kuroda's Media Statement and ADB's Press Release on our support are presented in Attachments 2 and 3, respectively.

14. **Sources of ADB's Support:** SERD has constituted a team of staff that is working with the Government and other development partners on the DLA, and exploring the financial sources of ADB's support. The Government has requested ADB to ensure that the support for Yogya disaster does not displace ADB's other assistance, including the resources provided for Aceh and Nias. As resources may be needed within a short span, staff will explore the option of initially utilizing uncommitted funds in the Earthquake and Tsunami Emergency Support Project (ETESP).

15. The commitment of \$50 million in ADF loans can be realized through reallocation of resources in ongoing projects or processing of a new emergency project using ADF funds for projects currently in the pipeline, subject to the Government's requirements and findings of the DLA. The possible ongoing, approved projects in which resources may be reallocated are presented in Table 4. Staff will undertake further detailed consultations with the Ministry of Finance, BAPPENAS, and the concerned line ministries, before finalizing the loan-financing options. Hence, this listing is to be considered as provisional.

Table 4: Existing Projects that May be Used for Yogyakarta Rehabilitation-Reconstruction Support

Project	District Coverage	Needs that can be Met	Financing Options/Amount available
L2221: Rural Infrastructure Support Project (ADF)	<ul style="list-style-type: none"> Does not include affected areas – but, GOI has NOT done district selection. 	<ul style="list-style-type: none"> Rural/Community infrastructure (all ADF) 	<ul style="list-style-type: none"> Total available: \$50 million in ADF resources Subject to GOI's prioritization, a large amount can be utilized for the affected areas <u>Ready to use, once legal opinion is signed.</u> <u>All fund-flow mechanisms are in place, to enable ready use</u> A Phase 2 of the project can be processed with ADF in 2007.
L2073: Neighborhood Upgrading and Shelter Sector Project (ADF)	<ul style="list-style-type: none"> Yogyakarta 	<ul style="list-style-type: none"> Housing Urban community infrastructure: street paving and lighting, drainage/water supply/sanitation works, solid waste management 	<ul style="list-style-type: none"> <u>\$2 million in unallocated ADF funds</u> Grant funding from other donors can be tapped to use the Project's implementation arrangements
L1765: Community Empowerment for Rural Development (ADF)	<ul style="list-style-type: none"> Does not include affected areas 	<ul style="list-style-type: none"> Community infrastructure 	<ul style="list-style-type: none"> <u>\$3 million in potential savings</u>

16. **ADB's Coordination with Other Development Partners:** President Kuroda has written to the heads of the Department for International Development (United Kingdom), Japan Bank for International Cooperation, the United Nations Development Programme, the United Nations Commission on East Asia and the Pacific, and the World Bank, requesting that all the development partners coordinate closely the DLA, and the design and implementation of rehabilitation and reconstruction initiatives, as has been done in the tsunami disaster and the Pakistan earthquake.





Asian Development Bank

**Asian Development Bank President Haruhiko Kuroda's Statement to the Media
Presidential Palace, Yogyakarta, Indonesia**

30 May 2006

Let me start by offering my deepest sympathy and condolences on behalf of the Asian Development Bank to the people of Indonesia, and to the families of the victims of this devastating natural disaster. Coming so soon after the 2004 earthquake and tsunami, our hearts go out to the people of Indonesia and we find strength in the courage they have shown under desperate circumstances.

I just have just concluded detailed and productive talks with President Susilo Bambang Yudhoyono. His quick response in setting up office near the disaster site and mobilizing the resources available to help people in need has been impressive. The Asian Development Bank and the international community stand behind him in this daunting task.

For our part, the Asian Development Bank has offered the Government of Indonesia US\$10 million in immediate grant assistance and an additional \$50 million in concessional funds for a total of \$60 million to help meet the near-term rehabilitation needs of the quake-affected areas of Yogyakarta and Central Java.

We will work closely with the Government and other development partners in assessing the damage and loss caused by the earthquake and the rebuilding needs, and then help in implementing the consequent rehabilitation and reconstruction program.

We will help Indonesia with whatever it takes and provide more resources to help the people rebuild their lives and livelihoods.



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ADB PLEDGES INITIAL \$60 MILLION FOR JAVA EARTHQUAKE ASSISTANCE

YOGYAKARTA, INDONESIA (30 May 2006) – The Asian Development Bank (ADB) today offered the Government of Indonesia US\$10 million in immediate grant assistance, and \$50 million in soft loans for a total of \$60 million to help meet the rehabilitation needs of the earthquake-affected areas of Yogyakarta and Central Java.

“We will help Indonesia with whatever it takes and provide more resources to help the people rebuild their lives and livelihoods,” ADB President Haruhiko Kuroda said after meeting with Indonesian President, Dr. Susilo Bambang Yudhoyono in Yogyakarta. He added “We will work closely with the Government and other development partners in assessing the damage and loss caused by the earthquake and the rebuilding needs, and then help in implementing the consequent rehabilitation and reconstruction program.”

President Kuroda is visiting today the areas affected by the devastating 27 May earthquake in central Java. He will meet with local government officials and some of those hardest hit by the natural disaster.

“Coming so soon after the 2004 earthquake and tsunami, our hearts go out to the people of Indonesia and we find strength in the courage they have shown under desperate circumstances,” Mr. Kuroda said.

After meeting with President Yudhoyono, Mr. Kuroda praised the head of state for his response to the emergency. “His quick response in setting up office near the disaster site and mobilizing the resources available to help people in need has been impressive. The Asian Development Bank and the international community stand behind him in this daunting task.”

Rajat Nag, Director General of ADB’s Southeast Asia Department, arrived in Jakarta Sunday to monitor the situation and determine how ADB can best assist Indonesia. He has met with Vice President Jusuf Kalla and Minister of Finance Sri Mulyani Indrawati.

ADB is also looking at its ongoing projects in Indonesia to determine how resources can be deployed efficiently and quickly on the ground.

ADB draws on long experience in dealing with natural disasters, including the recent Asian tsunami, which also hit Indonesia, and the South Asia earthquake.

ADB, based in Manila, is dedicated to reducing poverty in the Asia and Pacific region through pro-poor sustainable economic growth, social development, and good governance. Established in 1966, it is owned by 65 members - 47 from the region. In 2005, it approved loans and grants for projects totaling \$6.95 billion, and technical assistance amounting to \$198.8 million.

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