

THE EARTHQUAKE AND TSUNAMI EMERGENCY SUPPORT PROJECT (ETESP)

Fact Sheet

Special Points of Interest:

- Total grant: \$294.5 million
- 12 components: agriculture, fisheries, small and micro enterprises, health, education, rural water supply and sanitation, housing, irrigation, spatial planning and environmental management, roads and bridges, power and fiduciary governance
- Progress to March 2009: \$288.3 million contracted, \$244.6 million utilized

The Earthquake and Tsunami Emergency Support Project (ETESP) for the rehabilitation and reconstruction of Aceh and Nias has been under implementation since June 2005. ETESP is financed by a \$291 million grant financed by the Asian Tsunami Fund and a \$3.5 million grant from the Government of the Netherlands. The Government of Indonesia's Rehabilitation and Reconstruction Agency (BRR NAD-Nias) was the Executing Agency (EA) for ETESP up to 16 April 2009 when its mandate ended; Badan Perencanaan Pembangunan Nasional (BAPPENAS) has assumed the role of EA since then.

Project Design

The overall goal of the ETESP is to help rebuild the affected regions and support their economic revival. Its purpose is to (i) facilitate economic revival in the affected regions by restoring livelihoods; and (ii) alleviate constraints resulting from the lack of public goods and facilities by restoring essential public services and rebuilding infrastructure. To meet the critical rehabilitation and reconstruction needs in a flexible manner, the ETESP is designed as a multisector project facility with 12 components under five principal sector groupings:

- Livelihood restoration.** Rehabilitate the agriculture and fisheries sectors, the mainstay of a majority of the Acehnese, and revive micro and small enterprises.
- Social service provision.** Rehabilitate and reconstruct health and education facilities.
- Community infrastructure.** Provide water and sanitation facilities, rebuild irrigation infrastructure, and rehabilitate and reconstruct the damaged and lost housing stock within an integrated community development framework.
- Physical infrastructure.** Rebuild damaged roads and bridges, restore power supply, support sound

spatial planning, and strengthen environmental management systems.

- Fiduciary governance.** Ensure sound oversight of donor fund utilization in the overall rehabilitation and reconstruction process, and facilitate effective delivery of ETESP support.

ETESP's sector project approach facilitates designing subprojects based on feasibility studies and community consultations. This approach ensures that ADB can effectively coordinate ETESP components with the support provided by other donors. Through comprehensive consultations with BRR, other development partners, and stakeholders and taking into account lessons during implementation, real-time feedback from the field, and economic factors including inflation, ETESP has undergone several adjustments in terms of allocation, scope and geographical focus.

Table 1 shows the current allocation of grant funds for the 12 ETESP components while Table 2 summarizes the current scope and geographic of the components.

Progress to Date – April 2009

ETESP has made considerable progress during its nearly 4 years of implementation. Cumulative contract awards since grant effectiveness up to the end of March 2009 amount to \$288.3 million while cumulative utilization has reached \$244.6 million.

Four (4) components were essentially completed by end 2008: agriculture, irrigation, power, and health while the micro and small enterprise development component was completed in April 2009. The remaining components - fisheries, housing, spatial planning and environmental management, RWSS, roads and bridges and fiduciary governance - are scheduled for completion between April – September 2009.

Table 1. Component Wise Allocation, Contract Awards and Utilization, March 2009

Component	Allocation ^b (\$ million)	Contracts (\$ million)	Utilization (\$ million)	Contracts (%)	Utilization (%)
Agriculture	34.0	32.8	31.7	96.3	93.1
Fisheries	28.0	26.8	24.8	95.8	88.7
Micro and Small Enterprises	15.0	14.3	10.3	95.1	68.9
Health	12.0	11.9	11.3	99.4	94.3
Education	17.0	15.4	14.3	90.8	83.9
Rural Water Supply and Sanitation	7.0	6.3	5.5	89.8	77.9
Housing	71.5	72.4	57.3	101.2	80.1
Irrigation ^c	30.0	30.0	29.2	99.9	97.4
Spatial Planning and Environmental Management	17.0	17.1	12.7	100.6	74.7
Roads and Bridges	38.0	36.2	25.8	95.4	67.9
Power	9.5	9.7	9.1	102.0	96.1
Fiduciary Oversight (ATF)	12.0	12.3	10.1	102.4	84.5
Total (ETESP)	291.0	285.2	242.1	98.0	83.2
Fiduciary Oversight (The Netherlands)	3.5	3.1	2.5	89.7	71.7
Total	294.5	288.3	244.6	97.9	83.1

ATF = Asian Tsunami Fund

^a As of end of March 2009

^b After reallocation resulting from program review in February 2009

^c Includes the Luxembourg contribution of \$1 million to the ATF

Source: EMO estimates

Environmental and Social Safeguards

The Government and ADB have been committed in effective management and governance of ETESP funds, and have adhered to social environmental safeguards. The environmental and social impact assessment guidelines and procedures developed in 2005 and 2006 for ETESP components are applied to ensure compliance with ADB policies. In 2006, agreements were reached with the Aceh and North Sumatra provincial governments to harmonize the ADB and government environmental assessment procedures.

The initial environmental examination reports indicated that ETESP subprojects were not expected to result in negative environmental impacts and those that do can be adequately mitigated. Approximately 38% of the subprojects have required land acquisition. Community action plans as well as land acquisition and resettlement action plans were prepared, reviewed and implemented for subprojects entailing land acquisition.

Coordination with Development Partners and their Programs

ADB maintained close coordination with major development partners, including NGOs, to help ensure that

the various support programs are complementary. For instance, during the emergency period, Mercy Corps was entrusted to channel grant assistance for livelihood restoration activities. Part of the ETESP housing program is or was executed by UN-HABITAT, IOM and four NGOs, i.e. Cordaid, German Agro Action, Help eV and Muslim Aid.

The RWSS component is closely coordinated with a complementary ADB project which is cofinanced by the governments of Canada, the Netherlands, and United Kingdom. ETESP activities for subdistrict and village spatial planning have served as broad guidelines for local-level development activities supported by other donors and NGOs. Under ETESP, infrastructure planning is being undertaken to facilitate the implementation of the Infrastructure Reconstruction Financing Facility of the Multi Donor Trust Fund.

In microfinance, strategic alliances were formed with former BRR's Aceh Microfinance Program, the German Technical Cooperation, the International Labor Organization, the United Nations Development Programme, the German Savings Bank Foundation, and Bank Indonesia.

Table 2: Summary of Components and their Scope and Geographic Coverage

FINANCIAL AND GEOGRAPHIC COVERAGE	SCOPE
Livelihood Restoration	
<p>Component: Agriculture Grant provision: \$34 million Geographic coverage: Aceh: Pidie, Aceh Utara, Aceh Timur, Bireuen, Aceh Besar, Aceh Jaya, Nagan Raya, Aceh Barat Daya, Simeulue districts.</p>	<ul style="list-style-type: none"> • Restoring farming: <ul style="list-style-type: none"> • training of self-help groups in the production of field crops, tree crops, poultry and small ruminants and horticulture crops; • rehabilitation of around 20,000 ha of farmlands (including soil improvement and desalination of 6,000 ha of farmlands and land leveling on about 5,000 ha of more severely damaged farmland); and • support for resumption of field crop production on 15,000 ha and for improving 15,000 ha of tree crops • Restoring Support Services: <ul style="list-style-type: none"> • introducing extension methodologies, such as participatory farmer field schools and farmer-driven research, • recruiting agricultural graduates who may later be absorbed by the district and provincial governments into their regular cadres; • training of staff in the participatory extension methodologies, land use planning, crop production, and remedial measures for salinization and other tsunami-related issues; and • rehabilitating key agricultural facilities, and provision of necessary equipment and vehicles • Community Empowerment: <ul style="list-style-type: none"> • community facilitation and capacity building for self-help groups with assistance of Bina Swadaya, a national NGO
<p>Component: Fisheries Grant provision: \$28 million Geographic coverage: Aceh: Districts of Aceh Barat, Aceh Besar, Aceh Utara, Pidie, Aceh Jaya, Simeulue. Cities of Banda Aceh, Bireuen, Lhokseumawe. Nias island</p>	<ul style="list-style-type: none"> • Community empowerment: in cooperation with Bina Swadaya, a national NGO, supporting organization, training, and empowerment of fisher and farmer groups and grants in 325 coastal villages • Capture fisheries: construction and repairing fishing vessels, engines and gear for recovery of fishing operations • Aquaculture: supporting small-scale shrimp and fish farmers to rehabilitate damaged ponds, infrastructure, small-scale mariculture facilities and hatcheries and to restart productive aquaculture enterprises • Fisheries infrastructure and post-harvest facilities: rehabilitating district and community operated fish landing places, markets and other essential fisheries infrastructure. • Coastal resource rehabilitation: rehabilitating coastal natural resources, including mangroves and other coastal forest habitats, associated with fisheries and aquaculture. • Fishery services restoration: restoring damaged fisheries services and extension capacity
<p>Component: Micro and Small Enterprises Grant provision: \$15 million Geographic coverage: Aceh and Nias island</p>	<ul style="list-style-type: none"> • Supporting commercial microfinance system through provision of financing facilities to rural banks (BPRs) and other formal microfinance institutions (MFIs) for on lending to micro and small enterprises • Strengthening of the BPRs and formal MFI partners through advocating for and training on proven microfinance technologies, IT enhancement and systems upgrade, merger of PD BPRs, product development/innovation and roll out, etc. • Providing emergency response to rehabilitate or restore micro-enterprises and SMEs damaged by disasters

FINANCIAL AND GEOGRAPHIC COVERAGE	SCOPE
Social Service Provision	
<p>Component: Health Grant provision: \$12 million Geographic coverage: Aceh and Nias island</p>	<ul style="list-style-type: none"> • Strengthening health human resources management, particularly for nurses, midwives and mental health professionals; • Rehabilitating existing and building new health centers and medical waste management facilities in Aceh and Nias • Capacity building to improve management of medical waste
<p>Component: Education Grant provision: \$17 million Geographic coverage: Aceh and Nias island</p>	<ul style="list-style-type: none"> • Constructing and equipping specialized facilities (computing & general science laboratories) at senior secondary schools; • Training education personnel on laboratory operations and the application of the equipment (practical science and computers); • Providing teaching and learning materials to senior secondary students; and • Reconstructing the Sabang Model Senior Secondary School in Sabang island.
Community Infrastructure	
<p>Component: Rural Water Supply and Infrastructure Grant provision: \$7 million Geographic coverage: Aceh: Pidie, Bireuen, Aceh Utara, Aceh Jaya, Nagan Raya, Nias island</p>	<ul style="list-style-type: none"> • Rehabilitating community water supply and sanitation facilities • Capacity building and training of water and sanitation and hygiene staff at local government level • Re-establishing local government and community capacity to ensure participatory planning for facilities built • Developing and expanding water supply and sanitation facilities • Promoting sanitation and hygiene behavioral change
<p>Component: Irrigation Grant provision: \$30 million Geographic coverage: Aceh: Aceh Besar, Aceh Barat, Nagan Raya, Aceh Barat Daya, Aceh Singkil, Aceh Selatan, Pidie, Aceh Utara, Aceh Tenggara, Aceh Timur, Bireuen, Simeulue, Aceh Jaya Nias island</p>	<ul style="list-style-type: none"> • Rehabilitating more than 93 irrigation systems covering over 59,000 hectares, including 55,000 hectares in Aceh and 4,000 hectares on Nias Island. • Empowering water users associations institutional strengthening for management and coordination at district level
<p>Component: Housing Grant provision: \$71.5 million Geographic coverage: Aceh: Banda Aceh, Aceh Besar, Aceh Barat, Nias, Simeulue, Sabang, Pidie, Lhkosumawe Nias island</p>	<ul style="list-style-type: none"> • Constructing about 6,500 new houses and rehabilitating 2,500 damaged houses • Providing essential village infrastructure
Physical infrastructure	
<p>Component: Spatial Planning and Environmental Management Grant provision: \$17 million Geographic coverage: Aceh: Sabang, Aceh Besar, Aceh Barat, Aceh Jaya, Aceh Selatan, Aceh Timur, Aceh Utara, Lhokseumawe, Bireun, Nagan Raya, Simeulue Nias island</p>	<ul style="list-style-type: none"> • Village, subdistrict and district level spatial planning and identification of infrastructure and livelihoods projects • Environmental and ecological assessments and environmental safeguards design • Mapping and Geographic Information Systems (GIS) and environmental safeguards design • Support to other ETESP components and third parties in terms of mapping and GIS

FINANCIAL AND GEOGRAPHIC COVERAGE	SCOPE
<p>Component: Roads and Bridges</p> <p>Grant provision: \$38 million</p> <p>Geographic coverage:</p> <p>Aceh: Banda Aceh, Pidie, Bireuen, Aceh Utara</p>	<p>Rehabilitating and improving critical sections of roads in the North and East coast of Aceh including:</p> <p>Krueng Raya Road connecting the Malahayati Port with the city of Banda Aceh;</p> <p>Ulee Lheue Roads in Banda Aceh which service the Meuraksa residential and commercial area and provide access from Banda Aceh city and the West Coast Road to the Ulee Lheue Ferry Port and Fishing Ports.</p> <p>East Coast Road from Banda Aceh to Lhokseumawe which forms part main route for road transportation of goods brought into Aceh through the Belawan Port in the city of Medan in North Sumatra.</p>
<p>Component: Power</p> <p>Grant provision: \$9.5 million</p> <p>Geographic coverage:</p> <p>Aceh: Banda Aceh, Pidie, Bireuen, Aceh Utara, Aceh Barat, Simeulue</p>	<p>Rehabilitating low voltage distribution networks</p> <p>Building a new serve center for PLN in Banda Aceh</p> <p>Installing a SCADA system</p>
Fiduciary Governance	
<p>Grant provision: \$15.5 million</p> <p>Geographic coverage:</p> <p>Aceh and Nias island</p>	<p>Supporting BRR to establish internal control systems</p> <p>Supporting the Badan Pemeriksa Keuangan (BPK – Supreme Audit Agency) and its office in Banda Aceh</p> <p>Supporting the Banda Aceh office of the Directorate General of Treasury; establishing internal control and funds channeling systems</p> <p>Restoring capacity of Local Government Internal Audit Structures</p> <p>Supporting the Commission for the Eradication of Corruption in Indonesia and its regional office in Banda Aceh</p>