

Partnering with Communities for Post-Disaster Reconstruction in Aceh and Nias Island, North Sumatra, Indonesia

By Pieter Smidt and Richard Beresford

- **Community contracts and block grant modalities successfully channeled reconstruction funds directly to targeted beneficiaries.**
- **Community participation hinged on effective support at all levels in partnership with and through the active involvement of local leaders and organizations.**
- **Community participation in project delivery systems enhanced ownership; created local employment, especially for women; and produced better quality outputs.**

Background

The powerful earthquake off the coast of North Sumatra, Indonesia in December 2004 and the consequent tsunami caused widespread loss of lives and destruction in Aceh and to a lesser extent, on Nias island. Another destructive earthquake struck Nias in March 2005.

The Government of Indonesia and the international community provided \$6.8 billion to support reconstruction. Most of the reconstruction was completed by late 2008. The Asian Development Bank was a major partner—contributing, among other grants, a \$291 million grant from the Asian Tsunami Fund for the Earthquake and Tsunami Emergency Support Project.

Community participation was an essential element of the project's approach to housing, agriculture, fisheries, irrigation, education, and rural water supply.

Challenges

Although community participation is not new to Indonesia, the experience and institutional capacities of government agencies remain limited. This was more so for Aceh than for other parts of Indonesia because of the decades-long civil conflict in this province that ended in August 2005. Government projects were more often than not implemented using a top-down, "patron-client" approach.

Methodologies

Communities and agencies worked together through community contracts and block grants. To channel part of the reconstruction funds, community contracts and block grant modalities were used. Both the contracts and block grants were signed by the executing agency and representatives of local associations or committees. Guidelines specified that the maximum value of an individual contract or block grant was equivalent to \$30,000 and that communities could tap multiple contracts or grants.



Community members enjoy the benefits of participation

Photos by Sony Iskandar

Community contracts and block grants were used for civil works type of reconstruction activities with contracts mostly used for works undertaken with direct involvement of the community members and block grants where communities would engage contractors to undertake the works. For example, community contracts were used for the reconstruction of irrigation canals while block grants were used to build class rooms. Block grants were also used for non-civil works activities such as, for example, the supply of school books and laboratory equipment. In this case, the school committees signed contracts with the suppliers.

Community participation can be adopted in government delivery mechanisms. Between mid-2005 and end-2008, about \$40 million of project funds were channeled directly to 1,000 villages in 16 districts, through thousands of community contracts and block grants. These funds were channeled through the government agency tasked with the reconstruction of Aceh and Nias. The agency used the Government's delivery mechanism, i.e., the Government's budget and disbursement process. The annual reconstruction budgets included specific budget line items for grant funding directly to communities. The agency's project management units disbursed reconstruction funds into bank accounts established by communities. The disbursements were phased in accordance with the payment schedules mentioned in the community contracts or block grants following verification that progress targets were met.

Conditions must be met for community participation to function successfully in post-disaster reconstruction and rehabilitation. The project's experience has demonstrated that community participation in post-disaster reconstruction and rehabilitation is possible if:

- leadership is committed to direct involvement of communities;
- experienced local community facilitators are deployed through national nongovernment organizations;

- partnerships are struck between the Government, local leaders, and traditional organizations;
- community representatives elected by community members are involved;
- a “learning-by-doing” approach is adopted that accepts things may go wrong on occasion, and a complaints handling system is established;
- funds are channeled and traced through the formal banking system, and payments are phased based on carefully monitored progress indicators; and
- detailed community action plans for the use of funds are prepared through a series of plenary community meetings.

Conclusions

With requisite support, community participation can serve as a conducive government delivery mechanism. In the project’s experience

- government reconstruction funds reached community groups directly, thereby creating immediate local-level employment;
- corrupt practices were minimized;
- wider opportunities were offered for women to participate;
- adoption of local construction designs was facilitated;
- ownership of rehabilitated assets by community members was enhanced; and
- lower-cost and better quality construction was enabled compared to the performance of tendered contractors.



Village meeting: the start of partnership between the community and the government agency

Photo by Totok Hartono



Seeking the views of women-an essential part of the community approach

Photo by Richard Beresford



A community contract in progress: many hands lay the path for improved village infrastructure.

Photo by Esa Paaso



Explaining the details of community contracting to community representatives

Photo by M. Minanto



Community facilitation in action

Photo by Efendi Idris

For further information

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