



Speech of Dr. Kuntoro Mangkusubroto at 15th CGI Meeting
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I would like to begin briefly remind us all of the context of what we are dealing with in Aceh and Nias; the sheer size of the disaster was at first overwhelming: You are all familiar with the statistics, but let me remind you that this remains the biggest reconstruction challenge caused by natural disaster in recent history. Despite the enormity of what we face, the community working in Aceh and Nias is rising to the challenge. It is not easy. There have been problems, there will continue to be problems and that is exactly why the BRR is there, to make sure those problems do not prevent us from moving forward. But I am proud to say that, working together, we have laid down the building blocks of what is on track to being a successful program. Please pass on my thanks to your governments and also the citizens of your country for their generous support. The response of the international community gives us cause to rejoice in humanity.

Will more support be needed? I think the answer to that question is ‘yes’. There is no room for complacency. But neither is there room for misplaced competition. Just as you have helped the people of Aceh and Nias, so our people in Yogyakarta now in need following the earthquake there. I am grateful to all of you for rising to this new challenge, showing that Indonesia has international friends who do not tire in their compassion.

In Aceh and Nias the spirit of cooperative endeavor is real. There has been considerable achievement. The statistics on physical reconstruction are notable. But the successes that cannot be measured in numbers are also significant. For example, we have witnessed the successful implementation of something much talked about in the world of development but sometimes hard to achieve. Here, I am talking about the ‘Community-based approach’, The MDF Housing & Settlements Project is one very good example of this.

Through various Donor & NGO-funded programmes Local government capacity is being developed, the local workforce is being trained and Civil Society is fully engaged. This all contributes to ensuring that the Aceh and Nias are rebuilt as models of good-governance and auto-sufficiency; auto-sufficiency in government, capacity of workforce, community-participation and also disaster preparedness. This represents the real long-term investment which is being made through the use of Donor and NGO funds.

I believe strongly in the commitment of all to rebuild Aceh & Nias. The recovery process is gaining momentum. This is thanks to the commitment of all groups involved, and for your part, I would like to thank you, the countries that gave so generously in response to a disaster so devastating.

There are on-going challenges – BRR is not blinkered and we will continue to work hard to make sure future investments are effective. For example, obtaining and managing accurate data is still an issue. Our statistics on funding allocations and disbursements have been made more accurate thanks to the recent data collection



exercise. I thank all that were accommodating enough to partake in this exercise. Accurate data concerning physical progress, qualitative as well as quantitative, will be more accessible as we move forward with our regionalization process which is now well under way.

Concerning materials, the demand far outweighs the current supply, leading to inflated prices. BRR is working to enhance logistics and supply-chain management in order to increase flow of labour and materials. However, we are still looking at inflation conservatively estimated at 20%, causing us all to re-think our initial budget allocations and project scope.

And we are all aware that fighting corruption must continue relentlessly. BRR is extremely active in fighting corruption through investigation, prevention and education. In follow up to CFAN2 we are now developing an Integrity Forum which will help consolidate efforts across all agencies. All we have learnt during our first year will allow us all to have more impact as we move forward and ensure that funds are put to even more effect.

Looking forward, we must ensure that an equitable programme is delivered. The concentration of projects and funds in geographic areas that are easily accessible or sectors that are traditionally of most interest to NGOs must be balanced out as the recovery programme matures. Government of Indonesia budget seeks to address gaps but further funding will be necessary over time to ensure we have an equitable programme.

Our preliminary findings show that approximately 1.3 billion USD is still needed for the reconstruction of Aceh and Nias, based on the Needs Assessment of 6 billion USD. From the 7 billion USD pledged, approximately 4.7 has been committed. This includes funds from the Government of Indonesia. If we take off 20% as a conservative calculation of inflation, this leaves us with 3.7 billion of effective investment which would increase our outstanding needs to 2.3 billion USD.

These figures will be further enhanced this month, so that we can share with a wider audience the status current commitments and outstanding needs by the end of June. We will also drill down on our programme data in order to show exactly where the gaps and needs are.

We must capitalize on the gathering momentum of the recovery programme. In order to do so we need to be able to plan ahead with flexible funds that can be strategically channeled.

Finally, I would like to use this opportunity to thank you once again. I truly believe that great things have been achieved and will yet be achieved. The reconstruction and rehabilitation of Aceh and Nias has shown what can be done through collective effort. It has shown that no matter how huge the disaster or how great the challenge, we, the people of the world, have the strength and the goodness to rebuild hope and give back a future to those who have suffered. I thank you, the international community, for the part you continue to play. It is your support, the support of your governments and your people, that allows us to demonstrate how magnanimous is humankind.