



## **ASSESSMENT REPORT ON INDONESIA**

### **A SYNOPSIS**

#### **INTRODUCTION**

A study was commissioned by ICA to do a careful analysis of the impact of the tsunami on communities and co-operatives in Indonesia, notably in the Province of Nanggroe Aceh Darussalam (NAD), which is the place worst hit by the tsunami on 26 December 2005 than anywhere else in Asia. It was a participatory analysis, from which eight program ideas emerged from the close encounters and discussions with the co-operative leaders from DEKOPINWIL, LAPENKOP and the Government Co-operative Office in NAD, as well as encounters with the tsunami victims and survivors.

ICA hired Robby Tulus as Special Envoy, who then went to the disaster areas with a study team composed of Mr. Ibnoe Soedjono and Ms. Henny Buftheim. Prior to this study, Robby Tulus has made visits to Aceh and Nias right after the tsunami, hence saw the progress of relief and rehabilitation work done by the National and International Agencies and NGOs, as well as confirmed the unwavering strength of the tsunami victims and survivors in NAD.

This is a synopsis of the report. The full report of Robby Tulus will be made available based upon request by members and other concerned parties.

#### **CURRENT SITUATION AND CO-OPERATIVE AFFECTED**

No one would be able to grasp the full extent of the post-tsunami tragedy in NAD, where more than 200,000 people are killed and found missing. It is an unbelievable ordeal just to think of the trauma and grief as people lost their loved ones, lost their shelter, lost their basic community infrastructure, and lost their very means of livelihoods. The Indonesian government and the World Bank estimate the total bill for the destruction of property at more than Rp. 13.4 trillion (US \$1.4bn). If businesses are included, the total bill could rise to more than USD 4 Billion. About 700,000 people are homeless, and farmers, fishermen and others with small businesses have lost their livelihoods and cannot rebuild homes as their income suddenly disappeared.

In February 2005, The Indonesian Government, by way of the Central Planning and Development Agency (BAPPENAS), began the development of a comprehensive Blueprint and Master Plan for post-tsunami rehabilitation and reconstruction in NAD. The Central Government also set a date for the official withdrawal of all foreign workers,

i.e. 26 March, 2005, the same date the Blueprint of BAPPENAS is supposed to be launched. 159 humanitarian aid groups, big and small, were still working in the province in March 2005. Most of the thousands of troops from more than dozen countries that entered Aceh after the disaster had been withdrawn.

The impact on co-operatives in Banda Aceh alone is reflected by the interim data as follows:

Sub-Districts	Coops		Members	
	Pre Tsunami	Post Tsunami	Pre Tsunami	Post Tsunami
9 Sub-Districts	708	145	45,889	31,392

In addition to Banda Aceh, 11 other Districts of NAD, including 123 sub-districts, have been affected by the tsunami, involving 553 active co-operatives. Casualties were still being counted at the time this report was written. Unlike other places, the massive destruction of infra structure in NAD by the tsunami, and previously by the ongoing political conflicts between the government and the Aceh Freedom Movement, has made it extremely difficult and cumbersome for the swift collection of data.

A more detailed survey was being conducted by the Ministry of Co-operatives and SME to come up with a more comprehensive data, and the analysis will form part of the BAPPENAS Blueprint for the post-tsunami rehabilitation and reconstruction.

However, it was quite obvious that casualties among women are quite appalling. It has tipped the gender balance from more women population during the pre-tsunami period to fewer women in the current post-tsunami environment, making lives of women much more vulnerable. Fatalities hold true for children as well. It is estimated that 37% of the casualties were under the age of 18. Among the 12,160 who died based on a January 20 data, 13% were infants. As many as 7,722 children lost both parents and 32,735 lost one parent.

It is thus imperative for ICA to call on its members and partner agencies to assist in the collection of data, or to verify the interim data collected, and help improve the co-op management information system in NAD in collaboration with DEKOPINWIL and the local government co-operative authority.

## **PROGRAM RECOMMENDATION AND IDEAS**

As a result of the rapid study, eight recommendations or ideas emerged, calling for members and partner agencies of ICA to respond to and hence to begin with the development of projects that will be done in a holistic and participatory manner.

The overall GOAL Statement that will steer the development of projects is namely *“To make Co-operative Reconstruction in Aceh and Nias a model for genuine and sustainable co-operative development in Indonesia”*.

**Program recommendation-cum-ideas are composed of the following:**

1. **To develop a reliable post-disaster Management Information System.** It entails the collection of accurate, objective, detailed, consolidated, transparent and accountable DATA. The DEKOPINWIL of NAD will be organizing their first General Assembly in early April 2005 to develop the framework for data collection and the setting up of a management information system (MIS). A budget for the Assembly will be generated locally, and funding for data collection and the development of an MIS will be sought externally. This most urgent program must be completed in one year.
2. **To set up a reliable distribution system in Banda Aceh.** The tsunami swept away 536 co-operatives in 9 sub-districts and 89 villages in Banda Aceh alone. Much needed is the restoration of 33 co-operatives that are still viable to help with the distribution of food and other basic commodities through small kiosks.
3. **To establish credible and productive Pilot/Model Co-operatives each in those areas affected by the tsunami (Banda Aceh, Pidie, Meulaboh, and Simeulueh) within the regional rehabilitation framework:** In order for local people to sustain their livelihoods near coastal areas where they wish to subsist, co-operative members must be empowered with tools to minimize the threat of future disasters, as well as maximize their own resources by establishing livelihood products that are sustainable. The best approach would be to organize ONE MODEL of single sector Co-operatives in each of the tsunami-affected sites, i.e. by organizing a model Agricultural Co-op involved in supply of mangrove seeds, by establishing a model salt-making co-op, reconstructing one fishery co-op as a model, in establishing a model carpentry co-op, and five model co-ops among micro, small and medium entrepreneurs (in the form of credit co-operatives);
4. **To develop a Loan Guarantee System:** A liquidity crisis has occurred caused by unrecoverable loans of members killed by the tsunami. Survivors who lost their homes and family member(s) are unable to pay back loans or generate enough loans for reviving their income generating activities. It is therefore imperative that a LOAN GUARANTEE INSTITUTION be established as a key Program Idea to help secure and guarantee micro credit to be provided to the victims/survivors in their efforts to build pilot/model co-operatives mentioned in recommendation 3;
5. **To create employment through co-operative reconstruction:** Jobs have been scarce even before the tsunami because of the political conflicts in Aceh. To accelerate employment creation, ILO is planning to train small to medium young entrepreneurs. Co-operatives are perfect institutions to participate in this project in order to absorb these young entrepreneurs. It will focus on women. ILO and

ICA should work together in training young entrepreneurs in the context of model co-operatives absorbing and employing these trained entrepreneurs.

6. **To develop school and university co-operatives:** LSP2 Indonesia has made inroads in its discussion with Syiah Kuala University and FORKA (a credible NGO) to promote a School Co-operative and a University co-operative. It was felt that a combination of establishing both the school and university co-ops provides the construction of viable democratic-cum-economic institution that augurs well for the future of Aceh.
7. **To rebuild community-based co-operatives in Nias affected by the tsunami and the most recent Earthquake:** Nias suffered a double pounding; first the Tsunami that destroyed the city of Sirombu and the District of Mandrehe, then the Earthquake with 8.7 on the Richter Scale that destroyed the Capital of Gunung Sitoli and many other districts and villages. The economic destruction has left people in Nias without any source of income, hence creating further mental and psychological strains. Co-operatives have traditionally worked well in Nias, albeit with mixed results. The post-tsunami/earthquake environment creates an opportunity to revive the co-operative structures in Nias towards the construction of a strong co-operative movement.
8. **To develop a co-operative insurance system for tsunami-victims in Aceh:** Surviving co-op members suffered increased financial strains due to the absence of an Insurance system, hence escalating their vulnerability. Insurance products provide not only a peace of mind but also allow families to plan for the future. The Takaful (Islamic insurance) model introduced by ICMIF is of particular interest to people in Aceh, as it encourages Islamic values such as brotherhood, unity, solidarity and mutual cooperation. ICA and ICMIF together could work out a plan to introduce an insurance system conducive for the co-op members in NAD.

## CONCLUSION

The above appeal to ICA members and partner agencies to respond to any of the program recommendation and ideas will be accompanied by a set of strict **Guiding Principles and a Risk Mitigation Strategy**. These principles and the strategy are contained in the more comprehensive report.

The extraordinary happening in NAD offers a special window of opportunity for co-ops worldwide to show their compassion, and to work together to aid the suffering co-operative people in Aceh, known also as the “Corridor of Mecca”.

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Robby Tulus (Special Envoy)**