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Second Consolidated Annual Progress Report on Activities Implemented under the UN Window of the Indonesia Multi-Donor Fund Facility for Disaster Recovery (IMDFF-DR)

**Report of the Administrative Agent of the
UN Window of the IMDFF-DR for the period
1 January – 31 December 2012**

Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme
<http://mptf.undp.org>

31 May 2013

Participating Organizations

	Food and Agriculture Organization (FAO)
	International Labour Organization (ILO)
	International Organization for Migration (IOM)
	United Nations Environment Programme (UNEP)
	Office of the United Nations High Commissioner for Refugees (UNHCR)
	United Nations Children's Fund (UNICEF)
	United Nations Development Programme (UNDP)
	United Nations Educational, Scientific and Cultural Organization (UNESCO)
	United Nations Office on Drugs and Crime (UNODC)
	United Nations Population Fund (UNFPA)
	United Nations Human Settlements Programme (UN-HABITAT)
	United Nations Industrial Development Organization (UNIDO)
	United Nations Office for Project Services (UNOPS)
	World Food Programme (WFP)
	World Health Organization (WHO)
	United Nations Entity for Gender Equality and the Empowerment of Women (UNWOMEN)



New Zealand

Abbreviations and acronyms

AA	Administrative Agent
BAPPENAS	National Development Planning Agency
BNPB	National Disaster Management Agency
BPBD	Regional Disaster Management Body
DALA	Damage and Loss Assessment
DRR	Disaster Risk Reduction
FAO	Food and Agriculture Organization of the United Nations
GoI	Government of Indonesia
ILO	International Labour Organization
IMDFF-DR	Indonesia Multi-Donor Fund Facility for Disaster Recovery
IOM	International Organization for Migration
MPTF	Multi-Partner Trust Fund
MoP	Ministry of Planning
MPTF Office	Multi-Partner Trust Fund Office
PCN	Programme/Project Concept Note
PDNA	Post-Disaster Needs Assessments
RENAKSI	Rehabilitation and Reconstruction Action Plans
TOR	Terms of Reference
UNCT	United Nations Country Team
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-HABITAT	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children’s Fund
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNWOMEN	United Nations Entity for Gender Equality and the Empowerment of Women
WB	World Bank
WFP	World Food Programme
WHO	World Health Organization

Definitions

Allocation

Amount approved by the relevant steering committee for a project/programme.

Approved Project/Programme

A project or programme that has been approved by the IMDFF-DR Steering Committee for fund allocation purposes.

Contributor Commitment

A contribution expected to be received or already deposited by a donor, as per signed Standard Administrative Arrangement (SAA) with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent (AA) of the Fund.

Contributor Deposit

Cash deposit received by the MPTF Office for the Fund.

Delivery Rate

A financial indicator of the percentage of funds that have been utilized by comparing the expenditures reported by a Participating Organization against the 'net funded amount'.

Indirect Support Cost

A general cost that cannot be directly related to any particular programme or activity of the Participating Organisations. Under UN MPTFs, these costs amount to 7 percent as per the UNDG agreed MPTF cost recovery.

Net Funded Amount

Amount transferred to a Participating Organisation less any refunds transferred back by the Participating Organisation.

Participating Organisations

Organisations that have signed a Memorandum of Understanding (MoU) with the MPTF Office.

Project Expenditure

The sum of expenses reported by all Participating Organizations irrespective of which basis of accounting each Participating Organization follows.

Project Financial Closure

A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

Project Operational Closure

A project or programme is considered operationally closed when all activities for which a Participating Organisation is responsible under the approved programmatic document have been completed.

Project/Programme/Joint Programme Document

An Annual Work Plan (AWP) or a programme/project document that has been approved by the steering committee for fund allocation purposes.

Project Start Date

Date of transfer of first instalment from the MPTF Office to the Participating Organisation

Total Approved Budget

Amount approved by the Steering Committee

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Executive Summary

Introduction

The Government of Indonesia (GoI) and its development partners signed a Memorandum of Understanding (MoU) on 30 December 2009 agreeing to establish the Indonesian Multi-Donor Fund Facility for Disaster Recovery (IMDFF-DR) as a standing disaster response Facility. The Facility has two separate and clearly defined funding windows: one supported by the United Nations and the other with the World Bank (WB). The UN window is administered by the United Nations Development Programme (UNDP) through its Multi-Partner Trust Fund Office (MPTF Office) acting as the Administrative Agent (AA) on behalf of the Participating Organisations while the WB is the trustee for the WB window. Donors may contribute to either or both the UN and WB windows, or totally un-earmarked contributions. The IMDFF-DR Operational Manual provides detailed procedures for the operations and management of the IMDFF-DR.

A total of 15 Participating Organisations and one Participating Non-UN Organisation - the International Office for Migration (IOM) – collectively referred to as Participating Organisations signed the Multi-Donor Trust Fund MOU with the MPTF Office. The Government of New Zealand became the first donor to sign the Standard Administrative Arrangement (SAA) with the MPTF Office contributing to the operationalisation of UN Window of the IMDFF-DR on 27 June 2011.

Strategic Framework

The IMDFF-DR was established as a standing mechanism to help fund implementation of the Government of Indonesia's (GoI) Rehabilitation and Reconstruction Action Plans (RENAKSI) that are formulated following disasters that require International support. RENAKSI are based on the GoI led Post-Disaster Needs Assessments (PDNA) conducted with support from the UN and the WB, and provide the foundation for priority setting for the Facility. The National Disaster Management Agency (BNPB) is the lead GoI Agency responsible for the management of natural disasters.

Project Approval Status

The IMDFF-DR Steering Committee approved two joint programmes for \$1,000,000 each for a total of \$2,000,000 on 8 February 2012, namely the Mentawai Livelihood Recovery Programme and the Merapi Volcanic Eruption Livelihood Recovery Programme.

Programme Achievements

The joint programmes contributed to strengthened institutional capacity of local government to manage and coordinate Disaster Risk Reduction (DRR) through the design of information systems, disaster preparedness strategies and coordination structures. The IMDFF-DR contributed to restored, improved and diversified agricultural livelihoods, incorporating the value chain approach. Community resilience was enhanced and linkages between communities and relevant stakeholders strengthened through awareness raising and mainstreaming of disaster risk reduction principles within the livelihoods recovery aspects of the programmes. Further awareness of relevant stakeholders of the potential risks associated with Merapi and Mentawai related hazards and need to adopt relevant strategies to reduce future risks was increased.

Challenges and Lessons Learned

The UN has identified a number of challenges based on experiences during the first round of funding and programming since the establishment of the IMDFF-DR. In response to the challenges, the Technical Secretariat and UN jointly have undertaken a review of the UN Window of the IMDFF-DR. The main objective of the review

was to identify lessons learned and opportunities to strengthen the process of developing joint UN disaster recovery programmes through the IMDFF-DR. More details are available in Section 3.3.

Financial Performance

The first contribution of \$2,444,400 was deposited into the UN Window of the IMDFF-DR account in 2011 and the second contribution of \$791,700 was deposited in 2012 from the Government of New Zealand. Of this amount, a total of \$32,361 was charged as the AA fee. A total of \$2,000,000 was transferred to four Participating Organisations in support of two joint programmes. No agency earned interest was reported during the reporting period, but \$22,681 was received in Fund earned interest.

Transparency and Accountability

The MPTF Office provides regular information on the operations of the UN Window of the IMDFF-DR on its GATEWAY page at (<http://mptf.undp.org/factsheet/fund/IDR00>). The MPTF Office GATEWAY is (<http://mptf.undp.org/>) a knowledge platform providing real-time data, with a maximum two-hour delay, on financial information from the MPTF Office accounting system on donor contributions, programme budgets and transfers to Participating Organisations. All narrative reports are posted on the GATEWAY which provides easy access to nearly 9,600 relevant reports and documents, with tools and tables displaying financial and programme data.

By providing easy access to the growing number of progress reports and related documents uploaded by users in the field, it facilitates knowledge sharing and management among UN Organisations. It is designed to provide transparent, accountable fund-management services to the UN system to enhance its coherence, effectiveness and efficiency. The MPTF Office GATEWAY has been recognised as a ‘standard setter’ by peers and partners.

1 Introduction

Due to its geographical conditions and characteristics, the Republic of Indonesia is highly prone to natural disasters such as earthquake, volcanic eruption, tsunami, landslide, flood and others. Natural disasters are becoming increasingly



frequent, particularly major earthquakes, causing significant loss and damage which undermine the results of development achieved during the past several years.

The Government of Indonesia (GoI) and its development partners signed a Memorandum of Understanding (MoU) on 30 December 2009 agreeing to establish the Indonesian Multi-Donor Fund Facility for Disaster Recovery (IMDFF-DR) as a standing disaster response Facility. The Facility has two separate and clearly defined funding windows: one supported by the United Nations (UN) and the other with the World Bank (WB). The UN window is administered by the United Nations Development Programme (UNDP) through its Multi-Partner Trust Fund Office (MPTF Office) acting as the Administrative Agent (AA) on behalf of the Participating Organisations while the WB is the trustee for the WB window. The IMDFF-DR Operational Manual provides detailed procedures for the operations and management of the IMDFF-DR.

The IMDFF-DR was established as a standing mechanism that is 'activated' and 'deactivated' by the GoI, to help fund implementation of the GoI's Rehabilitation and Reconstruction Action Plans (RENAKSI) that are formulated following disasters that require international support.

The Facility was activated for the first time by BAPPENAS in November 2010, shortly after the Mentawai (Tsunami) and Mt. Merapi (Volcano) disasters in October 2010. Contributions from the Government of New Zealand were approved to meet the recovery needs of communities affected by these two disaster events. The disaster recovery programmes include livelihood recovery and disaster risk reduction. The programmes also include a focus on building sustainable mechanisms and tools for current and future rehabilitation and reconstruction initiatives. This is the first time that the Facility is being applied, and this has provided an opportunity to demonstrate how the Facility can be applied for subsequent disasters.

The WB received funding through the IMDFF-DR to also respond to the Mentawai and Merapi disasters. The WB is going to work with REKOMPAK to advocate with communities for better sanitation and waste management systems in the new relocation areas including building communal facilities upon request by the communities, and to build additional housing.

During the reporting period, an internal review process was undertaken to identify lessons learned and opportunities to strengthen the process of developing joint UN disaster recovery programmes through the Facility based on the first round of funding received to the Facility. Interviews were conducted with a range of relevant stakeholders (GoI, UN, WB, NZ and the Admin Agent). Data collection and analysis were framed around disaster recovery (not humanitarian) needs and gaps; the available capacity within IMDFF-DR for disaster recovery; the process of programme identification, formulation and approval; and the current programming scope of the facility.

Additionally during the reporting period, discussions within the Technical Committee and Steering Committee were held to consider expanding the scope and changing the name of the Facility. While the decision is not yet formalized, it appears that the scope may be expanded to make more effective use of UN's capacity in the area of disaster recovery by allowing programming through the UN window before the Government's Rehabilitation and Reconstruction Plan is established and providing space for disaster recovery preparedness work to take place before the next disaster.

This Annual Progress Report covers only the UN Window of the IMDFF-DR for the reporting period from 1 January 2012 to 31 December 2012. It provides information and financial data on activities and progress within the UN Window. During the reporting period, the UN Window received its second contribution from the Government of New Zealand in the amount of \$791,700 for a total of \$3,236,100. Subsequently, the IMDFF-DR Steering Committee approved the two joint programmes for a total of \$2,000,000 in February 2012.

2 Indonesia Multi-Donor Fund Facility for Disaster Recovery Establishment

The IMDFF-DR is established to mobilise funds and coordinate international aid in order to support the GoI in performing rehabilitation and reconstruction of the regions affected by natural disasters, which the GoI considers critically in need of international support as part of the GoI's RENASKI. The IMDFF-DR was established to fund disaster recovery requiring international support.

2.1 Establishment of the IMDFF-DR

The IMDFF-DR was established on 30 December 2009 as a Facility to support the pooling of international support to enable the UN and WB to support the GoI in achieving its disaster recovery priorities. A total of 15 Participating UN Organisations and one Participating Non-UN Organisation - IOM – collectively referred to as Participating Organisations signed the MOU. In 2011 the first donor, The Government of New Zealand, signed the SAA contributing to the UN Window.

2.2 Timeframe – Fund Start and End Date

The IMDFF-DR is designed as a 'standing' Facility to assist the GoI in disaster management; therefore, it does not have an established Fund end date. Rather the GoI will activate and deactivate the IMDFF-DR windows as requested and outlined in the Fund ToR. The IMDFF-DR 'Facility' will terminate when decided by the GoI in consultation with the UN and WB.

The Facility will be activated when the GoI declares that a specific disaster requires international support. The Facility will be deactivated when all projects funded for a specific disaster are completed. Upon activation of the IMDFF-DR by the GoI in response to a specific disaster, the AA functions shall begin. The duration of the AA functions for a specific disaster shall normally not exceed two years. If the IMDFF-DR Steering Committee, in consultation with Resident Coordinator (RC), takes the decision to extend the duration, it shall inform and seek the agreement of the GoI, relevant donors, Participating Organisations and AA.

2.3 Resource Allocation

Donors are encouraged to contribute unearmarked funds; however, allocations of funds from donors to the IMDFF-DR may be earmarked. Donors may allocate their contribution to the UN and/or WB windows in line with the parameter set by the GoI and endorsed by the IMDFF-DR Steering Committee. Donors may also allocate and earmark their contributions for a specific event.

Un-earmarked contributions are allocated into one or both of the windows by the Steering Committee based on the results of the Post-Disaster Needs Assessment (PDNA) and Damage and Loss Assessment (DALA), and priorities set out in the GoI's RENASKI.

3 Strategic Framework and Governance Arrangements

The IMDFF-DR design is based on the Jakarta Commitment on Aid for Development Effectiveness agreed by the GoI and its development partners in early 2009 that provides a road map for its commitment to the aid effectiveness principles and commitments contained in the Paris Declaration on Aid Effectiveness. Building on the principles of national ownership, the IMDFF-DR is managed using GoI systems and procedures for decision making and monitoring including adherence to Indonesian regulatory laws related to disaster management and management of external loans and grants. Detailed information pertaining to the IMDFF-DR is contained in the IMDFF-DR Operational Manual.

The guiding principles of the IMDFF-DR are twofold (i) national ownership and alignment with Jakarta Commitment and (ii) speed and flexibility in delivering results. The Facility will help fund projects/programs and related activities in support of the GoI's RENAksi. The proposals to be funded should meet the following criteria:

- Consistent with the GoI's RENAksi in response to the needs of the citizens of the disaster affected area;
- Enable efficient, speedy and sustainable recovery within the life of the specific event timeline; and
- Comply with the AA's policies and procedures including those for emergency operations.

The IMDFF-DR was established as a standing mechanism to help fund implementation of the GoI's Rehabilitation and Reconstruction Action Plans (RENAksi) that are formulated following disasters that require international support. RENAksi are based on GoI led Post-Disaster Needs Assessments (PDNA) conducted with support from the UN and the WB, and provide the foundation for priority setting for the Facility. The National Disaster Management Agency (BNPB) is the lead GoI Agency responsible for the management of natural disasters.

To ensure national ownership, all projects funded by the IMDFF-DR are in support of, and strictly aligned with the GoI's Damage and Loss Assessment (DALA), Early Recovery Plan and RENAksi or post-disaster Action Plans. The IMDFF-DR is intended to complement government-funded recovery activities, and bring strategic value in developing capacity and promoting sustainability

3.1 Rehabilitation and Reconstruction Action Plans (RENAksi)

The GoI's RENAksi, or Action Plans, are formulated following disasters considered by the GoI as requiring international support. Such RENAksi or Action Plans are based on GoI's PDNA conducted with support from the UN and the WB, and provide the foundation for priority setting for the Facility.

3.2 Governance Arrangements

The Facility maintains one GoI-led governance structure and technical review process as outlined below:

3.2.1 Steering Committee

The IMDFF-DR Steering Committee functions as the highest level decision-making, policy dialogue and coordination entity with streamlined membership and procedures for timely decision-making on urgent needs. The Steering Committee is chaired by the Deputy Minister of Regional Development and Local Autonomy Affairs, BAPPENAS, jointly co-chaired by the Deputy Minister for Development Funding, BAPPENAS and the Deputy for

Rehabilitation and Reconstruction, National Disaster Management Agency (BNPB) and includes membership comprising echelon-I officials from the Ministry of Finance and key line ministries.

The UN RC represents the UN as a whole and the Country Director of the WB in Indonesia represents the WB as members of Steering Committee. Donor membership is determined by the GoI, in consultation with prospective donors and taking into account level of donation. Local Government officials and other stakeholders from disaster hit areas participate in Steering Committee meetings as observers as appropriate.

3.2.2 Technical Committee

The Technical Committee led by the GoI, with flexible design to incorporate inputs from appropriate stakeholders shall support the Facility to ensure projects are aligned with RENAKSI or Government Action Plans, including Government Regulation No. 2/2006 and related aid management policies and regulations. The Technical Committee shall ensure the technical quality of projects and compliance with established criteria.

3.2.3 IMDFF-DR Secretariat

The IMDFF-DR Secretariat is based in Jakarta and established by the Head of the Steering Committee. It has the primary responsibility of supporting the duties and functions of the Steering and Technical Committees, which have the primary responsibility for coordinating the overall operations of the IMDFF-DR.

3.2.4 Participating Organisations

Each Participating Organisation signs a standardised MOU with UNDP as the AA for the UNITF-DR of the IMDFF-DR that sets out the duties and responsibilities of each party. Each Participating Organisation thereafter assumes full programmatic and financial accountability for the funds disbursed to it by the AA and carries its activities in the approved project proposal in accordance with the regulations, rules, directives and procedures applicable to it, using its standard implementation modalities.

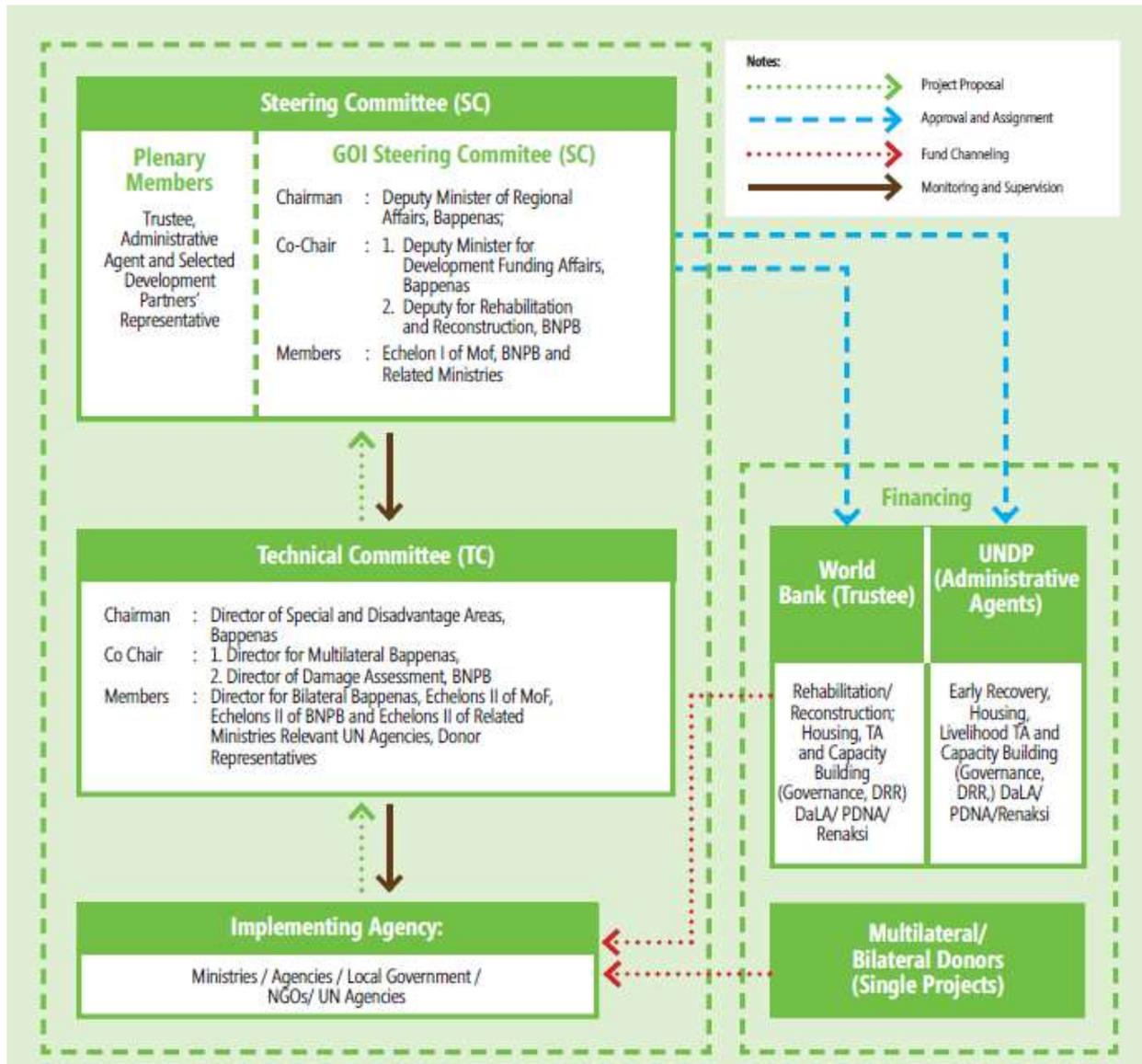
3.2.5 Administrative Agent/Multi-Partner Trust Fund Office (MPTF Office)

The UNDP MPTF Office is the AA for the UN Window. It is responsible for the receipt, administration and management of contributions from Donors; disbursement of funds to the Participating Organisations in accordance with instructions from the Steering Committee, and consolidation of narrative and financial reports produced by each of the Participating Organisations as well as the provision of these reports to the Steering Committee and Donors. The MPTF Office performs the full range of AA functions in accordance with the UNDG-approved "Protocol on the AA for MDTF and JP, and One UN Funds".

In line with the MOU concluded between Participating Organisations and the MPTF Office, a clear delineation, including distinct reporting lines and an accountability framework has been established and is maintained within UNDP between its functions as an AA performed by the MPTF Office and its functions as a Participating Organisation performed by UNDP in Indonesia.

Figure 3-1 below demonstrates the governance structure including the programme proposal, approval, funding and monitoring processes as well as communication flow.

Figure 3 -1 IMDF-DR Governance Structure



3.3 IMDF-DR Internal Review

During the reporting period, an internal review process was undertaken to identify lessons learned and opportunities to strengthen the process of developing joint UN disaster recovery programmes through the Facility based on the first round of funding received to the Facility. Interviews were conducted with a range of relevant stakeholders (GoI, UN, WB, NZ and the AA). Data collection and analysis were framed around disaster recovery (not humanitarian) needs and gaps; the available capacity within IMDF-DR for disaster recovery; the process of programme identification, formulation and approval; and the current programming scope of the facility.

A major review finding, from interviews with national and provincial Government representatives, was that the joint UN programmes in Merapi and Mentawai have added significant value to the Government's Rehabilitation and Reconstruction Plan (RENAKSI) implementation process. The joint programmes have helped to 'navigate'

and ‘catalyse’ RENAksi activities, demonstrating how the IMDFF-DR provides an opportunity for the GoI to leverage the capacity of UN Participating Organizations to support its own recovery, rehabilitation and reconstruction efforts. In spite of this added value some limitations of the IMDFF-DR were raised in terms of the demand driven versus supply driven assistance, scope of the facility and timing and capacity of the system. Initially the proposals submitted to the IMDFF-DR tended towards a supply driven approach rather than being based on needs and mutually agreed priorities. The current scope was further seen as too narrow as the IMDFF-DR can only be drawn upon until after a RENAksi has been developed and endorsed. Therefore, it does not fully draw on UN’s comparative advantage which rests more in terms of early phases of recovery in a humanitarian setting following a significant disaster event. The stakeholders further identified a need to widen the scope to include assistance preparedness for disaster recovery work before disasters occur. The review also highlighted the current lack of opportunity within the funding window, for UN to address the impacts socio-economic losses of the more frequent disasters. Other challenges of the facility were with regard to the operational procedures such as flexibility in convening of Technical and Steering Committee meetings, selection of the UN agencies to receive funds and modality and funding among other things.

Following an analysis of the shortcomings identified in the participatory review, key strategic recommendations for the further enhancement of the Facility were approved at Technical Committee meeting in June 2012 and await the formal endorsement of the IMDFF-DR Steering Committee. The recommendations are as follows:

1. **Programmatic approach:** the process of identifying and developing joint programmes should take a more ‘programmatic approach’. This involves a clearer focus on established disaster recovery needs and an adequate matching of capacities within the UN system to address these needs i.e. demand meeting supply-side aspects. This can be facilitated by an ex-ante capacity mapping of UN agencies in terms of their respective strengths in each core area of recovery work.
2. **Expanding the scope:** more effective use of UN’s capacity in the area of disaster recovery can be achieved if the scope of the IMDFF-DR is broadened. This can happen in two ways: i) by allowing programming through the UN window before the Government’s Rehabilitation and Reconstruction Plan is established; and ii) providing space for disaster recovery preparedness work to take place before the next disaster.
3. **Greater agility in the process of programme formulation:** the current mechanism was based on an ‘open-bidding’ system and relied on an intensive process of reviewing a number of proposals by the Secretariat. The proposed new approach is to apply already established mechanisms within the UN system to take a joint-programming approach. These mechanisms can provide the foundations for disaster recovery programming by focusing on: i) establishing the priority recovery needs; ii) determining the most effective capacities to address these needs; and iii) defining strategies for the UN to add value to the Government’s own initiatives on recovery, rehabilitation and reconstruction. Further, the selection of UN agencies is proposed to be made by UN Country Team, facilitated by UNRC instead of the IMDFF-DR Secretariat.

4 Decision Making Process

The purpose of the UN Window of the IMDFF-DR is to ensure (i) national ownership and alignment with Jakarta Commitments and (ii) speed and flexibility in delivering results. The IMDFF-DR will fund projects/programmes and related activities in support of the Government’s RENAKSI. The proposals to be funded are required to meet the following criteria:

- Consistent with the Gol’s RENAKSI in response to the needs of the citizens of the disaster affected area;
- Enable the efficient, speedy and sustainable recovery and can be completed;
- Comply with the MOU with the AA.

Contributions to the IMDFF-DR are allocated between the two windows within the following focus areas:

- Early Recovery
- Rehabilitation and Reconstruction
- Housing
- Livelihoods
- Technical Assistance and Capacity Building

The emphasis of the UN Window is related to social economic recovery whereas WB window is more on long term reconstruction infrastructure.

The complete decision making process including the development, review, assessment and approval of projects and programmes is outlined in the IMDFF-DR Operational Manual. The following figures outline the stages in the process from the development of the Project/Programme Concept Note (PCN), review by the Technical Committee and approval of the final proposal by the IMDFF-DR Steering Committee.

Figure 4 -1 Project/Programme Concept Note Submission and Assessment Process

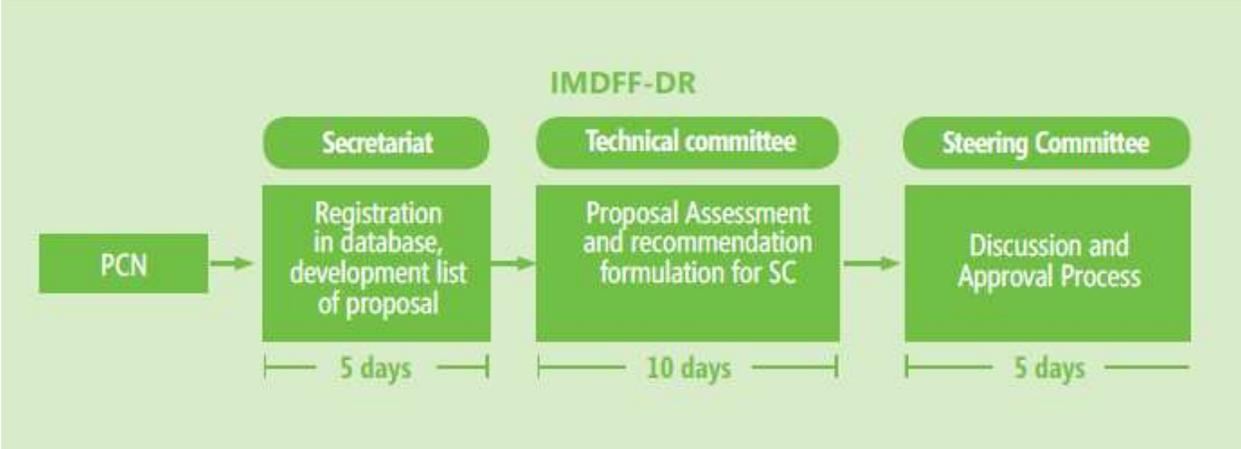
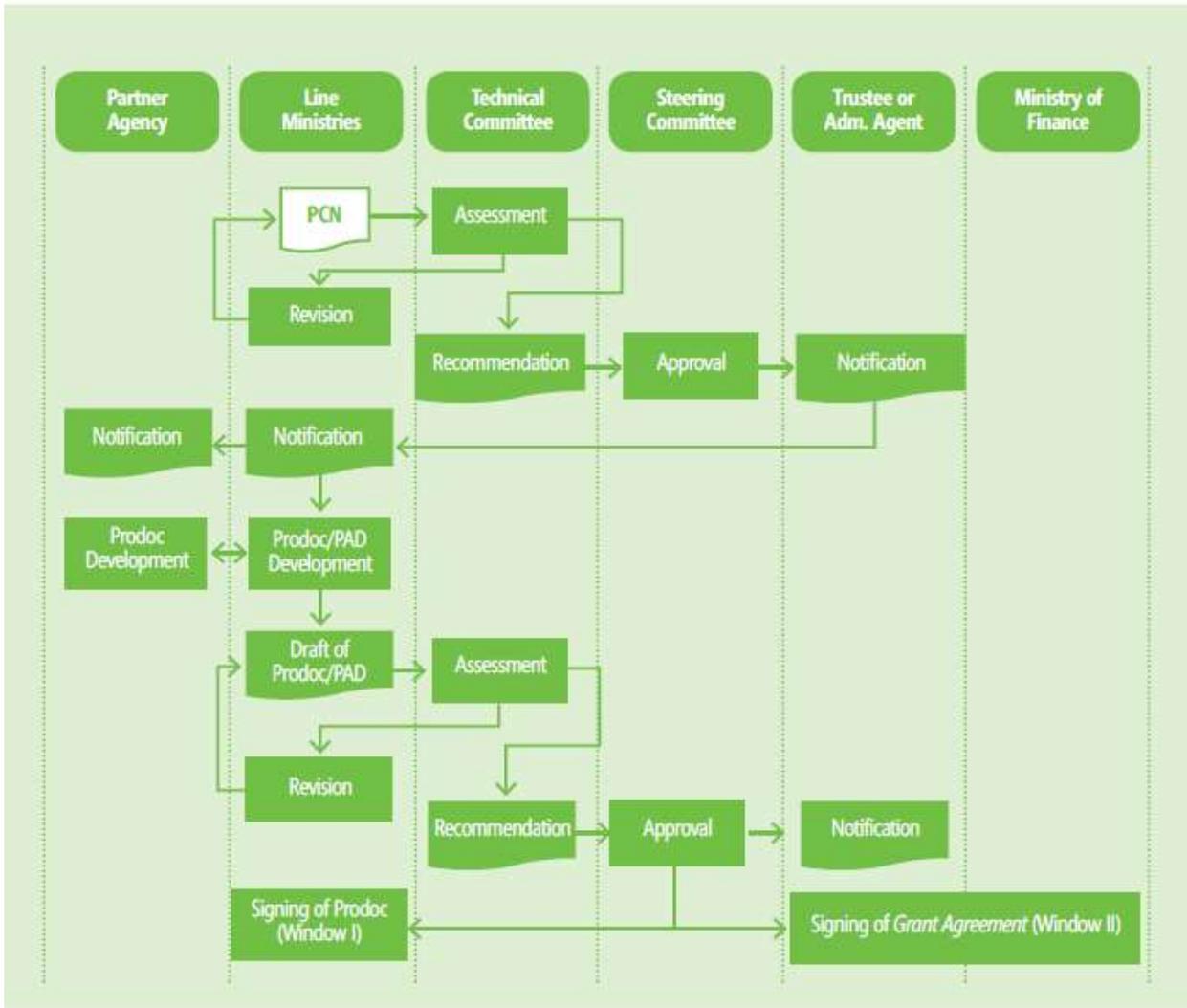


Figure 4 -2 Proposal Submission, Assessment and Approval Process



5 Programme Approvals and Achievements

The IMDFF-DR Steering Committee approved two joint programmes on 31 January 2012 and the funds were transferred on the 8 February 2012 for a total of \$2,000,000 million as highlighted in Table 5-1 below.

Table 5-1 Approved New Projects/Programmes, as of 31 December 2012

Project Title	Region	Participating Organisations	Net Total Amount Transferred (USD)	Date of Transfer
Livelihoods Recovery Programme	Mentawai Islands	FAO, ILO, UNDP	1,000,000	8 Feb 2012
Livelihoods Recovery Programme	Mount Merapi	FAO, IOM, UNDP	1,000,000	8 Feb 2012
Total			2,000,000	

5.1 Programme Achievements

5.1.1 Mentawai Livelihood Recovery Programme

In 2010, the Mentawai Islands experienced an earthquake and tsunami, which caused loss and damages to the amount of 348,92 billion IDR, having a major impact on the productive economy. To support reconstruction efforts, the IMDFF-DR Steering Committee approved \$1,000,000 for the Mentawai Islands Livelihoods Recovery Programme with implementation assisted by FAO, ILO and UNDP. The expected outcome is to improve sustainable livelihoods and strengthen institutional capacity in disaster recovery in the affected areas. It responds to three major priorities identified by the GoI including assistance for:



- improving the agriculture value chain, including SME development;
- improving food security; and
- clean water provision and improved sanitation.

The Programme support the recovery of the productive economy among 591 households in Pagai Utara and Pagai Selatan communities, affected by the 2010 earthquake and tsunami, through assisting recovery of the agriculture and fisheries sectors, facilitating development of the agricultural and fishery value chain, and supporting strategic planning and the provision of basic services, including water and sanitation.

The IMDFF-DR contributed to restored, improved and diversified agricultural livelihoods, incorporating the value chain approach. As product transformations and transactions take place along a chain of interrelated activities, value is added successively. A complete value chain assessment for the agricultural and fishery sector was conducted and validated by the main stakeholders and was instrumental in identifying key areas of interventions. The programme



contributed to improved capacity and skills of the impacted communities and local governments. The capacity of farmer groups in areas of production, post-harvest processing and organisation was enhanced through training on improved cropping techniques. The programme established demonstration plots in three separate locations in Pagai Utara and Pagai Selatan. The farmers acquired adequate skills to graft high quality varieties and seedlings, including cacao, and produced quality seeds and seedlings in the context of the activities carried out in the demonstration plots. The programme further procured specific machines¹ locally to facilitate agricultural production. Further, the District and Provincial agricultural departments have committed themselves to ensuring sustainability of the activities through assuming responsibility for managing the demonstration plots upon the conclusion of the project.

In order to strengthen the capacity of agricultural and fishery extension workers to provide out-reach services and livelihood support to communities, materials are currently being developed to provide trainings to the extension workers and when completed the training will be organized. To date some, 50 local trainers have been provided with training on livelihoods, entrepreneurship and vocational skills to support their communities. Other trainings supported by the programme include food processing, furniture making, and the motorbike Repairing training, including on the job training. The delivery of effective and relevant demand-driven courses has provided employable skills to support the immediate improvement of livelihoods. Some 200 women from 10 sub villages in 3 relocation sites within Mentawai were also trained on producing light meals such as banana crispy, taro crispy and fish snack. In addition, the women have been further provided training in entrepreneurship using the Get Ahead Module. Some of the women have already recorded initial that have been and have been able to sell their products in the Padang market at one of the biggest and most famous light meals stores called Shirley.

The IMDFF-DR contributed to strengthened institutional capacity of local government to promote livelihoods recovery efforts and encourage provision of basic social and public services. Technical support and monitoring was provided to support the effective implementation of the Gol's recovery plan (RENASKI). Assistance went towards coordination and training for Regional Disaster Management Body (BPBD) staff on data management and coaching on data collection, entry and analysis. The launch of the Mentawai data management and information system is still in the planning phase. To improve the safe water and sanitation situation, the programme facilitated a technical assessment of clean water and sanitation needs. Preliminary assessment on the possibilities of water resources in 14 sub villages was conducted, which resulted in a detailed technical assessment shared with local government. Support for community-based spatial planning for permanent relocation sites has also been conducted in 14 sub village targeted during the reporting period.

5.1.2 Merapi Volcanic Eruption Livelihood Recovery Programme

In response to the 2010 Merapi volcanic eruption, the IMDFF-DR Steering Committee approved \$1,000,000 for the Merapi Volcanic Eruption Livelihood Recovery Programme aiming at supporting the recovery process in Central Java and Yogyakarta, with implementation assisted by FAO, IOM and UNDP. The joint programme outcome "Improved sustainable livelihoods recovery and enhanced community resilience in



¹ Cacao drier and fermentation box.

areas affected by the 2010 Mt Merapi eruption” is attained through the delivery of the following activities and outputs.

- Sustainable livelihoods recovery and income generation support, incorporating value chain approach for selected commodities;
- Strengthened capacity of local government to manage and coordinate DRR-based recovery programmes and mainstream DRR with involvement of all stakeholders; and
- Enhanced community resilience and strengthened linkages between communities and relevant stakeholders.

The IMDFF-DR contributed to restored, improved and diversified agricultural livelihoods and revived economic activity in targeted communities, incorporating the value chain approach in the selection of culturally significant local products for development. The livelihood activities under the joint programme supported economic growth in an environmentally and socially responsible manner by working with products and services derived from local natural inputs. The UN in partnership with the local government provided much-needed resources and technical assistance to strengthen the overall value chain through improved processing practices, quality standards, linkages to markets and capacity building of about 600 individuals in business development and livelihood related initiatives. Some 8 units of commodities (cattle, goats, sheep, organic salak snakeskin fruit) have been developed into value-chain based marketing strategies with the support from IOM and FAO.

The incomes of the project beneficiaries of organic palm tree (salak) certification increased, due to a 10-30% higher selling price of organic salak compared to conventional prices. The livestock asset grew and increased in value which positively affected the income of project’s beneficiaries. The conduct of three livelihood forums, built valuable networks with national and international partners. The buyer forum was attended by 15 traders of organic agriculture products from Jakarta, Yogyakarta, Surabaya, Malaysia, and Thailand who met with the organic salak association and as a result, some business transaction was concluded. The investor forum resulted in a consortium consists of corporate, civil society organisation, and government, namely Merapi Resiliency Consortium. The multi-stakeholder forum was managed to hand over project component to beneficiaries and local actors, including local government and civil society organisation, hence allowing for future sustainability of the project.

The Joint Programme with the support from IMDFF-DR contributed to strengthened capacity of local government to manage and coordinate Disaster Risk Reduction (DRR) based recovery programmes through the design of information systems, disaster preparedness strategies and coordination structures. A village information system was designed to support the RENAKSI implementation and the broader disaster management in the affected areas through early warning system, data preparedness, a feed-back mechanism and participatory monitoring exercises. The system utilized an on-line network with interconnection to the existing information systems of the main regional and national disaster management bodies and the institution responsible for volcano investigation and alert. Functional data management systems were built in 6 regional disaster management bodies (BPBDs) in 4 villages, reaching 524 people. Disaster preparedness strategies and roadmaps for post-disaster recovery were also created in two districts and the Government’s 2013 RENAKSI planning process was supported. Coordination forums established in Central Java and the Yogyakarta Special Administrative Region facilitated coordination and clarified roles and responsibilities among

recovery actors, including government institutions and CSOs. Livelihood activities targeting business groups (from the home-based-industries) and refinement of the DRR initiatives contributed to the enhancement of the community resilience in the targeted villages.



Community resilience was enhanced and linkages between communities and relevant stakeholders strengthened through awareness raising and mainstreaming of disaster risk reduction principles, with the support from the IMDFF-DR.

Disaster Risk Reduction (DRR) principles were mainstreamed within the livelihoods recovery aspects of the programme to ensure that the relevant stakeholders are mindful of the potential risks associated with Merapi related hazard and thereby adopt relevant strategies to reduce future risks. This was complemented by special support provided to impacted communities, the local DRR forum, and local government to ensure the common understanding on DRR and relevant implementation strategies. Community risk mapping and contingency planning was conducted. The affected communities have demonstrated increased resilience following the raised awareness on the disaster risks and have built dedicated teams to focus on addressing the associated risks. Some 1,783 community members participated in risk reduction activities and acquired knowledge on community-based DRR. In general, the community-based DRR activities have empowered the targeted communities, DRR village committees and attracted high interest from community members. However as most of the activities were conducted in the evening, most of the additional participants beyond the target groups were male. The affected communities have benefited from expanded networks of support that are essential in boosting their capacities to respond to the associated risks. With increased public exposure on DRR through the advocacy of the Joint Programme, the issue of DRR has remained a top priority of the local government.

While progress had been achieved, the implementation of the programme was extended to 31 May 2013 as some project components had not been implemented, among other things due to the postponing of permanent house construction.

5.2 Overall Achievements and Challenges

5.2.1 Achievements

The primary achievement in 2012 was the operationalisation of the UN Window with the approval and implementation of two joint programmes following receipt of the first contribution. The contribution from the Government of New Zealand is seen as an important catalyst to enable the UN to demonstrate its capacity to deliver tangible, disaster recovery support and encourage other donors and contributors to support the UN's work in the Indonesia through this mechanism. The joint programmes have been carried out in a difficult environment, in terms of accessibility, mode of transportation to and within the islands, living conditions of project beneficiaries among other constraints. Nonetheless, project activities have effectively supported livelihoods in the intervention areas. The UN joint programmes have demonstrated the catalytic role they have played in relation to the RENAKSI and Government counterparts have expressed its interest in taking over the project activities to ensure their sustainability.

5.2.2 Challenges and Lesson Learned

Programme Implementation

Findings from implementation in the communities and predictions and advice provided from the Volcano Investigation and Technological Development Center (BPPTK), indicate that the most hazardous areas and future risk prone areas are those on the southeast areas of Mt. Merapi. These areas will have higher disaster risks level from the Mt. Merapi future eruption and the volcanic material flooding during the upcoming rainy season. The Disaster Management Agency for Sleman District (BPBD) has therefore requested support from the Merapi joint programme to support communities in the most hazardous areas by improving the community resilience level. Activities include the development village disaster management contingency plans, hazard maps and evacuation routes for all affected villages in preparation for future eruptions and volcanic flooding. This proposed action should be followed up in the next phase of programme implementation.

Various challenges have arisen during the course of the programme such as the frequent failure of mobile communication, which constrained coordination with provincial and district government. There were further geographical constraints due to limited modes of transportation and communication, which impacted supervision capacity of activities by project staff. The coordination between province and district government was insufficient and needs to be addressed and considered in future programmes to allow for effective programme delivery. Delays by government in the construction of a permanent community house further negatively impacted implementation of specific activities particularly the planned furniture and motorbike repairing business.

Resource Mobilisation and Fund Management

The IMDFF-DR was established to mobilise funds and coordinate international aid in order to support the GoI in performing rehabilitation and reconstruction of the regions affected by natural disasters. Given it is still a relatively new mechanism, often funds contributed to support disaster recovery have been received bi-laterally thereby bypassing the IMDFF-DR, which creates parallel systems and fragments coordination around discrete events. The challenge remains to raise adequate awareness within the GoI and among both traditional and nontraditional donors that the IMDFF-DR has been established to mobilise international support in the area of disaster recovery to complement GoI funded recovery activities.

In addition to resource mobilisation challenges, there were a number of procedural and strategic challenges that have been identified, and are highlighted below. Some of the challenges are highlighted below and currently under review by the Technical Secretariat and UN jointly to identify opportunities for improving the efficiency and responsive of the IMDFF-DR and the UN's interventions.

- **Understanding the needs (demand-side):** The identification of priority needs was based on stated gaps within the RENAksi for the Merapi Volcano and Mentawai Tsunami, which followed the procedures outlined in the IMDFF-DR Operational Manual. The priorities were presented in August 2011 as a list of

generic issues, for which international assistance was required, without identifying more strategic and specific areas where the UN could support the GoI in disaster recovery. As a result, the call for PCNs by the UN RC was made without any clear and strategic guidelines to which the Participating Organisations would respond. The result was the development and submission of many individual PCNs covering a broad range of issues.

- **Drawing on available capacities (supply-side):** Following the receipt of New Zealand's contribution to the UN Window, an initial call for PCN's was made by the UN RC to all Participating Organisations. A total of 13 PCNs were received. Of the 13 PCNs received only two were joint programmes. As a result, there was some overlap in the areas of coverage mainly in the areas of livelihoods and disaster risk reduction. The IMDFF-DF Secretariat (and the Technical Committee) was given the responsibility for assessing the respective capacities of the Participating Organisations and determine which Participating Organisations were eligible to receive the initial funding.
- **Formulating and approving the joint programmes (process):** The formulation and approval processes took over four months starting from the call for proposals, submission of PCNs to the submission of finalised joint programme documents. One reason for this is that the Steering Committee requested a re-submission of PCNs after the first round, calling for a) a more programmatic approach and b) joint programmes (one for each disaster). The process clearly needs to become more time-effective so that disaster recovery programmes can be identified and formulated in a shorter time-frame.
- **Defining what the Fund can do (scope):** The IMDFF-DR provides an opportunity for the GoI to leverage the capacity of UN Participating Organisations under the UN Window to undertake effective disaster recovery work following major disaster events. However, the UN Window can only be fully applied once a RENAKSI has been established and this may be rather constraining in terms of applying UN capacity. Furthermore, the emphasis of a RENAKSI on medium to longer term recovery and reconstruction (termed as rehabilitation and reconstruction) does not provide sufficient space for recovery processes that need to start in a humanitarian setting (i.e. 'early recovery'), where the UN's capacity is relatively strong.

6 Financial Performance

The Financial Performance section includes key financial data on the IMDFF-DR. Financial information is also available on the <http://mptf.undp.org/factsheet/fund/IDR00> on the MPTF Office GATEWAY.

Table 6.1 provides an overview of the IMDFF-DR UN Window financial portfolio by providing the source, use and balance of funds.

6.1 Financial Overview

Table 6-1 Financial Overview, as of 31 December 2012

	Annual 2011	Annual 2012	Cumulative
Sources of Funds			
Gross Contributions	2,444,400	791,700	3,236,100
Fund Earned Interest and Investment Income	16,213	6,468	22,681
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MPTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	2,460,613	798,168	3,258,781
Use of Funds			
Transfer to Participating Organizations	-	2,000,000	2,000,000
Refunds received from Participating Organizations	-	-	-
Net Funded Amount to Participating Organizations	-	2,000,000	2,000,000
Administrative Agent Fees	24,444	7,917	32,361
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	110	85	195
Other Expenditures	-	-	-
Total: Uses of Funds	24,554	2,008,002	2,032,556
Change in Fund cash balance with Administrative Agent	2,436,059	-1,209,833	1,226,226
Opening Fund balance (1 January)	-	2,436,059	-
Closing Fund balance (31 December)	2,436,059	1,226,226	1,226,226
Net Funded Amount to Participating Organizations	-	2,000,000	2,000,000
Participating Organizations` Expenditure	-	1,224,044	1,224,044
Balance of Funds with Participating Organizations	-	-	775,956

During the reporting period (1 January to 31 December 2012), one additional contribution of \$791,700 was deposited. Of this amount, \$7,917 was charged as the AA fee. Additional income of \$6,468 was received in Fund earned interest and no agency earned fund interest was reported. A total of \$2,000,000 was transferred to Participating Organisations in 2012.

The first contribution to the IMDFF-DR UN window was received from the Government of New Zealand in 2011 for a total of \$2,444,400 as highlighted in Table 6.2 below. The Government of New Zealand made additional commitment of \$791,700 in 2012 bring its total contribution to \$3,236,100.

Table 6-2 Total Donor Deposits, as of 31 December 2012

Contributors	Prior Years as of 31 Dec 2011	Current Year Jan-Dec 2012	TOTAL
NEW ZEALAND	2,444,400	791,700	3,236,100
Grand Total	2,444,400	791,700	3,236,100

6.2 Earned Interest

Table 6-3 Received Interest (Agency and Fund), as of 31 December 2012

	Prior Years as of 31 Dec 2011	Current Year Jan-Dec 2012	TOTAL
Fund Earned Interest (Administrative Agent)	16,213	6,468	22,681
Total - Fund Earned Interest	16,213	6,468	22,681
Total - Interest Income Received from PO	-	-	-
Total Interest Earned	16,213	6,468	22,681

Interest earned in the UN Window from donor contributions is reported from two sources. Fund-earned interest is the interest earned by the MPTF Office as the AA on the balance of funds remaining in Fund bank account (maintained by UNDP/Treasury). Agency-earned interest is the amount earned by Participating Organisations on the undisbursed balance of funding that has been transferred from the Fund to the Participating Organisation(s) for project implementation.

Interest accrues at the Fund level until the IMDFF-DR Steering Committee approves a project or joint programme, at which time the approved funds are transferred to the Participating Organisation(s).

As of 31 December 2012, the cumulative total of Fund-earned interest income amounted to \$22,681. There was no Agency level earned interest reported in 2011 or 2012.

6.3 Transfer and Balance of Funds

During the first quarter 2012, the IMDFF-DR Steering Committee approved two joint programmes for \$1,000,000 each for a total of \$2,000,000. The distribution of approved funding is summarised in Table 6-4 below.

Table 6-4 Net Funded Amount by Participating Organisation, as of 31 December 2012

Participating Organisation	Net Funded Amount		
	Prior Years as of 31 Dec 2011	Current Year Jan-Dec 2012	TOTAL
FAO	-	686,660	686,660
ILO	-	320,000	320,000
IOM	-	329,662	329,662
UNDP	-	663,678	663,678
Total	-	2,000,000	2,000,000

As of 31 December 2012, based on the Steering Committee approvals, a total of \$1,000,000 had been transferred in support of disaster recovery activities in Mentawai Islands and an additional \$1,000,000 to support disaster recovery in Mount Merapi, as highlighted in Table 6-5 below.

Table 6-5 Net Funded Amounts by Event, as of 31 December 2012

Event	Net Funded Amount		
	Prior Years as of 31 Dec 2011	Current Year Jan-Dec 2012	TOTAL
Mentawai Islands	-	1,000,000	1,000,000
Mount Merapi	-	1,000,000	1,000,000
Total	-	2,000,000	2,000,000

6.3.1 Balance of Funds Available

A balance of \$ 1,226,226 remained with the AA as of 31 December 2012. Until such time that the MPTF Office is instructed by the Steering Committee to release funding, it will be reflected in balance of funds with the AA.

6.4 Expenditure Reported by Participating Organisations

As highlighted in table 6-6 below, the Participating Organisations reported expenditure of \$1,224,044 for 2012 with an average delivery rate of 61.2 percent. The balance of funds with the Participating Organisations as of 31 December 2012 is \$775,956.

Table 6-6 Financial Delivery Rate by Participating Organisation, as of 31 December 2012

Participating Organization	Approved Amount	Net Funded Amount	Expenditure	Delivery Rate Percentage
FAO	686,660	686,660	351,009	51.12
ILO	320,000	320,000	250,640	78.33
IOM	329,662	329,662	247,370	75.04
UNDP	663,678	663,678	375,026	56.51

Grand Total	2,000,000	2,000,000	1,224,044
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Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed upon categories for harmonized inter-agency reporting. In 2006 the UN Development Group (UNDG) set six categories against which UN entities must report project expenditures. Effective 1 January 2012, the UN Chief Executive Board modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditures reported up to 31 December 2011 are presented in the previous six categories, and all expenditures reported from 1 January 2012 are presented in the new eight categories. The old and new categories are noted below:

Current UNDG Categories/	Revised Harmonized Categories
1. Personnel (staff, consultants, travel and training)	1. Staff and other personnel costs
2. Supplies, commodities, equipment and transport	2. Supplies, Commodities, Materials
3. Training of counterparts	3. Equipment, Vehicles and Furniture including Depreciation
4. Contracts	4. Contractual Services
5. Other direct costs	5. Travel
6. Indirect Support Costs	6. Transfers and Grants Counterparts
	7. General Operating and Other Direct Costs
	8. Indirect support costs

Table 6-7 Total Expenditure by Category, as of 31 December 2012

Category	Expenditure			Percentage of Total Programme Cost
	Prior Year as of 31-Dec-2011	Current Year Jan-Dec-2012	Total	
Supplies, Commodities, Equipment and Transport (Old)	-	-	-	0.00
Personnel (Old)	-	-	-	0.00
Training of Counterparts (Old)	-	-	-	0.00
Contracts (Old)	-	-	-	0.00
Other direct costs (Old)	-	-	-	0.00
Staff & Personnel Cost (New)	-	243,900	243,900	21.29
Supplies, Commodities, Materials (New)	-	235,224	235,224	20.53
Equip, Vehicles, Furniture, Depreciation (New)	-	21,603	21,603	1.89
Contractual Services (New)	-	59,585	59,585	5.20
Travel (New)	-	111,473	111,473	9.73
Transfer and Grants (New)	-	159,638	159,638	13.94
General Operating (New)	-	314,065	314,065	27.42
Programme Costs Total	-	1,145,488	1,145,488	100.00
Indirect Support Costs Total	-	78,556	78,556	6.86
Total	-	1,224,044	1,224,044	0.00

6.5 Cost Recovery

The cost recovery for UN Window is guided by the MOU. For the period from 1 January to 31 December 2012, the actual costs were as follows:

- 1) The MPTF Office AA fee of approximately \$7,917 (one percent of total funds deposited) was charged in 2012 upon receipt of the donor deposit. The AA fee, as a one-time fee, funds the required full range of AA responsibilities throughout the duration of the UNITF-DR. The cumulative total AA fee amounts to \$32,361.
- 2) Indirect support costs of Participating Organisations amounted to \$78,556 during the reporting period.
- 3) Direct costs may be charged to the Fund to cover costs associated with the Steering Committee. There were no approved direct costs in 2011 or 2012.

6.6 Transparency and Accountability

The MPTF Office provides regular information on the operations of the UN Window of the IMDFF-DR on its GATEWAY page at (<http://mptf.undp.org/factsheet/fund/IDR00>). The MPTF Office GATEWAY (<http://mptf.undp.org/>) is a knowledge platform providing real-time data, with a maximum two-hour delay, on financial information from the MPTF Office accounting system on donor contributions, programme budgets and transfers to Participating UN Organisations. All narrative reports are published on the MPTF Office GATEWAY which provides easy access to nearly 9,600 relevant reports and documents, with tools and tables displaying financial and programme data. By providing easy access to the growing number of progress reports and related documents uploaded by users in the field, it facilitates knowledge sharing and management among UN Organisations. It is designed to provide transparent, accountable fund-management services to the UN system to enhance its coherence, effectiveness and efficiency. The MPTF Office GATEWAY has been recognised as a 'standard setter' by peers and partners.