Australian Government
Department of Foreign Affairs and Trade

BNPB

AUSTRALIA-INDONESIA FACILITY FOR DISASTER REDUCTION

DRAFT

AUSTRALIA-INDONESIA FACILITY FOR DISASTER REDUCTION - PHASE 2

AIFDR-2 DESIGN DOCUMENT

Volume 1 - Program Design Document

Part 1 - Rationale
Part 2 - Investment Description and Management Arrangements

Australian Aid

Acknowledgement

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We trust we have done justice to your contributions.

AIFDR-1's West Sumatra Build Back Better Campaign

Acronyms and Abbreviations

	English	Indonesian (if required)
AADMER	ASEAN Agreement on Disaster Management and Emergency Response	
ACCESS	AusAID Australia Community Development and Civil Society Strengthening Scheme	
AHA	ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management	
AIFDR	Australia-Indonesia Facility for Disaster Reduction	
ANTARA	Australian Nusa Tenggara Assistance for Regional Autonomy Program	
ASEAN	Association of Southeast Asian Nations	
AusAID	Australian Agency for International Development	
BAPPEDA	Provincial and District Planning Boards	*Badan Perencanaan dan Pembangunan Daerah*
BAPPENAS	National Planning Board	*Badan Perencanaan dan Pembangunan Nasional*
BASARNAS	Indonesia Search and Rescue Agency	*Badan SAR Nasional*
BG	Geology Agency	*Badan Geologi*
BIG	Geospatial Information Agency	*Badan Informasi Geospasial (BIG)*
BMKG	Meteorological, Climatology and Geophysical Agency	*Badan, Meterologi, Klimatologi dan Geofisika*
BNPB	National Disaster Management Agency	*Badan Nasional Penanggulangan Bencana*
BPBD	Provincial and District Disaster Management Agency	*Badan Penanggulangan Bencana Daerah*
BPPT	The Agency for the Assessment and Application of Technology	*Badan Pengkajian dan Penerapan Teknologi*
CBDRM	Community Based Disaster Risk	*Pengurangan Risiko Bencana Berbasis*

	Management	*Komunitas*
CDSP	Capacity Development Support Program/Partnership	*Program Pengembangan Kapasitas*
CSO	Civil Society Organisation	*Organisasi Masyarakat Sipil (OMS)*
DFAT	Department of Foreign Affairs and Trade	
DRM	Disaster Risk Management	*Penanggulangan Risiko Bencana*
DRR	Disaster Risk Reduction	*Pengurangan Risiko Bencana*
ECHO	European Commission Humanitarian Office	
EOC	Emergency Operations Centre	*Pusat Pengendalian Operasional Penanggulangan Bencana (Pusdalops-PB)*
EWS	Early Warning System	
GA	Geoscience Australia	
GAR	Global Assessment Report on Disaster Risk Reduction	
GFDRR	World Bank's Global Facility for Disaster Reduction and Recovery	
GIZ	Deutsche Gesellschaft fur Internationale Zusammenarbeit	
GPDRR	Global Platform for Disaster Risk Reduction	
GoA	Government of Australia	
GoI	Government of Indonesia	
HAP	Australia's Humanitarian Action Plan	
HCVA	Hazard, Capacity and Vulnerability Assessments	*Penilaian Kapasitas Tingkat Kerentanan Risiko*
HFA	Hyogo Framework for Action	*Kerangka Aksi Hyogo*
InaSAFE	Indonesia Scenario Assessment for Emergencies	
InaTEWS	Indonesia Tsunami Early Warning System	
KSI	Knowledge Sector Initiative – DFAT	

	Development Cooperation Indonesia	
K2PS	Knowledge-to-Policy Strategy	*Strategi Pengetahuan-Menuju-Kebijakan*
LIPI	Indonesian Institute of Sciences	*Lembaga Ilmu Pengetahuan Indonesia*
M&E	Monitoring and Evaluation	
MC	Managing Contractor	
NAP-DRR	National Action Plan for DRR	*Rencana Aksi Nasional Pengurangan Risiko Bencana*
NDMP	National Disaster Master Plan	*Rencana Aksi Nasional – Penanggulangan Bencana (Renas-PB)*
OSM	OpenStreetMap	
PNPM	National Program for Community Empowerment	*Program Nasional Pemberdayaan Masyarakat*
PLANAS	National DRR Platform	*Platform Nasional Pengurangan Risiko Bencana*
Pusdatinmas	Data, Information and Public Affairs Centre, BNPB	*Pusat Data, Informasi dan Humas BNPB*
Pusdiklat	BNPB Training and Education Centre	*Pusat Pendidikan dan Pelatihan BNPB*
PSHA	Probabilistic Seismic Hazard Analysis	*Analisa Probabilitas Bahaya Sismik*
SOP	Standard Operating Procedure	
STTA	Short term Technical Adviser	
UNDP	United Nations Development Programme	
UN ISDR	United Nations Office for Disaster Risk Reduction	
UN OCHA	United Nations Office for the Coordination of Humanitarian Affairs	
UPT-BNPB	BNPB Regional Training and Logistics Centres - also known as Regional Technical Implementation Units	*Unit Pelaksana Teknis – Badan Nasional Penanggulangan Bencana*
USAID/OFDA	United States Agency for International Development / Office of U.S. Foreign Disaster Assistance	

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A. Investment Profile

Investment Name: Australia-Indonesia Facility for Disaster Reduction Phase 2 (AIFDR-2)
Start Date: July 1, 2014
End Date: June 30, 2019
Years: 5
Investment Value: $70 million

B. Investment Design

1. Executive Summary

The 2004 Indian Ocean Tsunami marked a turning point in Indonesia's approach to disaster risk management (DRM). Australia's quick and decisive response to the disaster strengthened the Australia-Indonesia partnership in the sector. With a $1 billion package of support, the Government of Australia (GoA) was at the forefront of assisting affected populations to rebuild their lives in the wake of the world's largest and most destructive natural disaster. The Australian public also donated more than $250 million for response and recovery efforts. Subsequent earthquakes in Nias (2005) and Yogyakarta (2006) increased the need for the Government of Indonesia (GoI) to improve its disaster management systems, by shifting focus from response to better disaster preparedness and mitigation.

DRM became an Indonesian national priority and in 2007 when, with the support of civil society, the GoI inaugurated Law No.24 on Disaster Management. This new law emphasised the need for investment to reduce the impact of disasters and led to DRM being identified as one of the top 11 priorities in Indonesia's current Medium Term Development Plan (2010-2014). It will feature prominently in Indonesia's next Medium Term Development Plan.

Strengthening the Australia-Indonesia partnership

The devastating impact of Typhoon Haiyan on the Philippines reinforced the need to continue to invest in strategies that will help Indonesia to better prepare for the disaster risks it faces. The first phase of the Australia-Indonesia Facility for Disaster Reduction (AIFDR) between 2009 and 2013 did just that and this new AIFDR-2 investment represents a follow-up five-year, $70 million continuation of the program. AIFDR-2 builds on the knowledge, results, lessons and bilateral relationship established through the first phase of AIFDR and the broader development cooperation program in Indonesia.

Combining GoA and GoI leadership, AIFDR-1 has resulted in a strong and trusted partnership between DFAT and the Indonesian National Disaster Management Agency (BNPB). AIFDR-1 combined international best practice disaster science with Australia's comparative advantage in robust disaster preparedness systems and experience in community-based disaster risk management. This produced world-class technological tools for disaster managers, helped to develop national policy and DRM systems, and supported innovative programs for safer communities. This important work will continue.

The 10th Anniversary of the Indian Ocean Tsunami in December 2014 presents an opportunity to announce Australia's new DRM investment to Indonesia. Australia's continued collaboration with GoI in the DRM sector will save lives and affords high-profile opportunities to demonstrate Australia's commitment to Indonesia, its people and the region. It is squarely in Australia's national interest to continue to support Indonesian DRM as it will strengthen the bilateral relationship, protect Australian development investments and help safeguard Indonesia's economic growth.

Protecting Indonesia's economic growth

Indonesia is one of the world's most disaster prone countries. This vast and diverse archipelago is routinely impacted by earthquakes, tsunamis, volcanic eruptions, floods, landslides and forest fires, which threaten lives, livelihoods and economic growth. Indonesia suffers more earthquakes than any other country and on average experiences a fatal tsunami every three years. These recurrent natural disasters impact on productivity and threaten Indonesia's macro-economic growth. Persistent seasonal flooding in urban and rural areas undermines local development and impacts on national competitiveness.

The estimated annual economic impact of natural disasters in Indonesia is 0.3% of gross domestic product (GDP), equating to US$1.5 billion per year. At the sub-national level, the impact on local GDP has proven to be considerably higher. Single large disasters can result in catastrophic impacts on lives and livelihoods. The 2004 Indian Ocean Tsunami killed over 130,000 people in Indonesia alone and is estimated to have cost Indonesia upwards of US$4.5 billion or 54% of provincial and 1% of national GDP. The impact of Typhoon Haiyan in the Philippines is expected to cost over US$10 billion and account for almost 5% of national GDP.

AIFDR-2 will maintain and strengthen the Australia-Indonesia partnership at the national level. It will also respond to urgent needs at the provincial and district level where emerging local disaster management agencies (BPBDs), at the coal-face of preparedness and response, face enormous skills and capacity challenges. AIFDR-2 will work with governments, civil society and the private sector to trial BNPB's national disaster management training strategy and resilient villages program, and demonstrate effective DRM policy and practice with a focus on the most vulnerable.

Supporting the most vulnerable

Typhoon Haiyan in the Philippines was a stark reminder of the importance for local government and communities to prepare, and highlighted the fact that the most vulnerable in society are at the greatest risk. Natural disasters continue to pose a real threat to Indonesia's economic and development gains and it is Indonesia's poor and near-poor who are disproportionately affected. The almost 112 million people living on less than US$2 a day[1] are only a single disaster away from falling back into abject poverty, while many millions more, who survive on incomes marginally above the poverty line, are particularly vulnerable to disaster shocks. Due to poverty and inequality, some groups are more vulnerable to disasters and are marginalised during disaster recovery.

People with disabilities are among the poorest in the community and failure to support people with mobility and/or communication disabilities increases their vulnerability during a disaster and impedes their recovery. Likewise, women, who make up 70% of the world's extremely poor, are over-represented in disaster fatalities in the region. Research conducted after the Indian Ocean Tsunami found that female mortality rates were two to four times higher than among males[2].

Gender inequalities mean women's needs, priorities and interests are often ignored during the recovery phase, leading to difficulties in recouping lost assets, limited livelihood options, poor access to services and a lack of bargaining power. Failure to draw on women's skills means their abilities to contribute to the development of resilience and assist recovery are overlooked. Recognising this, in 2012 the GoI highlighted the need to focus on community preparedness, gender equality and social inclusion through the launch of the Yogyakarta Declaration at the Fifth Asian Ministerial Conference on Disaster Risk Reduction. Australia's new DRM investment will support these efforts.

1 This is the current poverty marker used by the DFAT – Australian Aid Indonesia program and featured in the Annual Program Performance Report.

2 See Doocy S et al. 2007, *Tsunami Mortality in Aceh Province, Indonesia*.

Working with the private sector

The private sector is an emerging partner in the DRM sector. AIFDR has assisted BNPB in preparing national policy and regulations for private sector engagement in disaster preparedness, response and recovery. At the 2011 World Economic Forum, the Indonesian president announced the new Disaster Resource Partnership (DRP) for Indonesia. Launched in 2012, the DRP brings together the 10 largest Indonesian engineering and construction firms and there is considerable scope for involvement from Australian companies in this emerging initiative.

Increasing Indonesian disaster preparedness capacity and strengthening community resilience

In line with Australian and Indonesian national interests, the overarching goal of AIFDR-2 is to *save lives and reduce the economic impact of natural disasters on communities*. The investment seeks to increase national and local government disaster preparedness capacity and strengthen community resilience to disaster shocks. We will do this in partnership with the GoI to leverage their funding and improve their DRM policy. It will build the technical and organisational capacity of BNPB and the new BPBDs in order that they play a credible role in the coordination, command and implementation of disaster preparedness and are able to respond quickly and effectively to emergencies.

It is intended that over the life of AIFDR-2, BNPB and provincial and district BPBDs will build upon improved interactions with communities, civil society and the private sector and progress from preparedness for response and recovery activities to playing a key role in the coordination and implementation of disaster risk reduction and mitigation initiatives. The experience of DFAT programs in Indonesia has shown that in a decentralised environment these interactions are vital to improving service supply and demand.

AIFDR-2 is designed to:

- Achieve improved disaster management and mitigation measures at the national level and in up to 20 districts across 4 provinces[3]. This will help approximately 9 million people to be better prepared for the disaster risks they face;
- Support GoI to replicate these disaster risk management outcomes to villages, districts and provinces beyond the initial target areas;
- Facilitate GoI to improve national disaster preparedness systems to ensure they are consistent with and influence regional and global systems.

A cost effective investment

Investing in disaster risk management is cost effective. UN and World Bank research indicates that every US$1 invested into preparedness can save up to US$7 in disaster recovery costs. This has been recognised at the national level in Indonesia and while BNPB's national budget has increased over the past six years, this has yet to be reflected in the budgets of provincial and district BPBDs. The AIFDR-2 investment will help address this imbalance and will achieve value for money by leveraging national government, local government, private sector and community funding sources and demonstrating approaches for low-cost replication of DRM service delivery.

In terms of the cost per investment beneficiary, the AIFDR-2 investment equates to $1.50 per person per year with an estimated 9 million beneficiaries. Increases in local government funding for DRM and the integration of DRM into village planning as part of the new Indonesian Village Law will multiply the cost-benefit outcomes of this investment.

3 In Line with the demonstration provinces of AIFDR, the new AIFDR-2 program intends to focus on the provinces of West Sumatra, East Java, South Sulawesi and NTT. However, focus on district capacity development and community resilience programming will be restricted to a modelling approach in East Java and NTT where AIFDR-2 can more easily link with other DFAT programs in these priority areas.

A focused program approach

AIFDR-2 will continue its important national partnership with BNPB, and implement a focused program approach underpinned by the following key interlinked components:

1) A $43 million DRM Capacity Development and Community Resilience program, **DRM-CREATE**, which will include DRM technical and institutional support at the national and sub-national level, and innovative approaches to community resilience and government-community linkages. This component will be implemented by a managing contractor;
2) A $12.5 million science and technology program implemented by Geoscience Australia, called **GA-TAP**, which will continue the practical implementation and institutionalisation of DRM technical tools, continued hazard science work and partnerships with Indonesian science agencies;
3) Continued support to the DFAT Disaster Response Unit amounting to $4 million to cover core costs for Australian readiness and Indonesian preparedness systems strengthening, including the national disaster response framework and disaster recovery activities;
4) Grants of up to $5.5 million for international humanitarian and regional DRM partners, particularly ASEAN and UNOCHA to align regional and international DRM agendas with Australia's national interest and in support of Indonesian disaster management systems;
5) AIFDR-2 corporate costs amount to $5 million over five years.

AIFDR-2 has been designed over a two-year process of targeted analysis, consultation and review. When implemented, it will represent Australia's largest bilateral investment in DRM.

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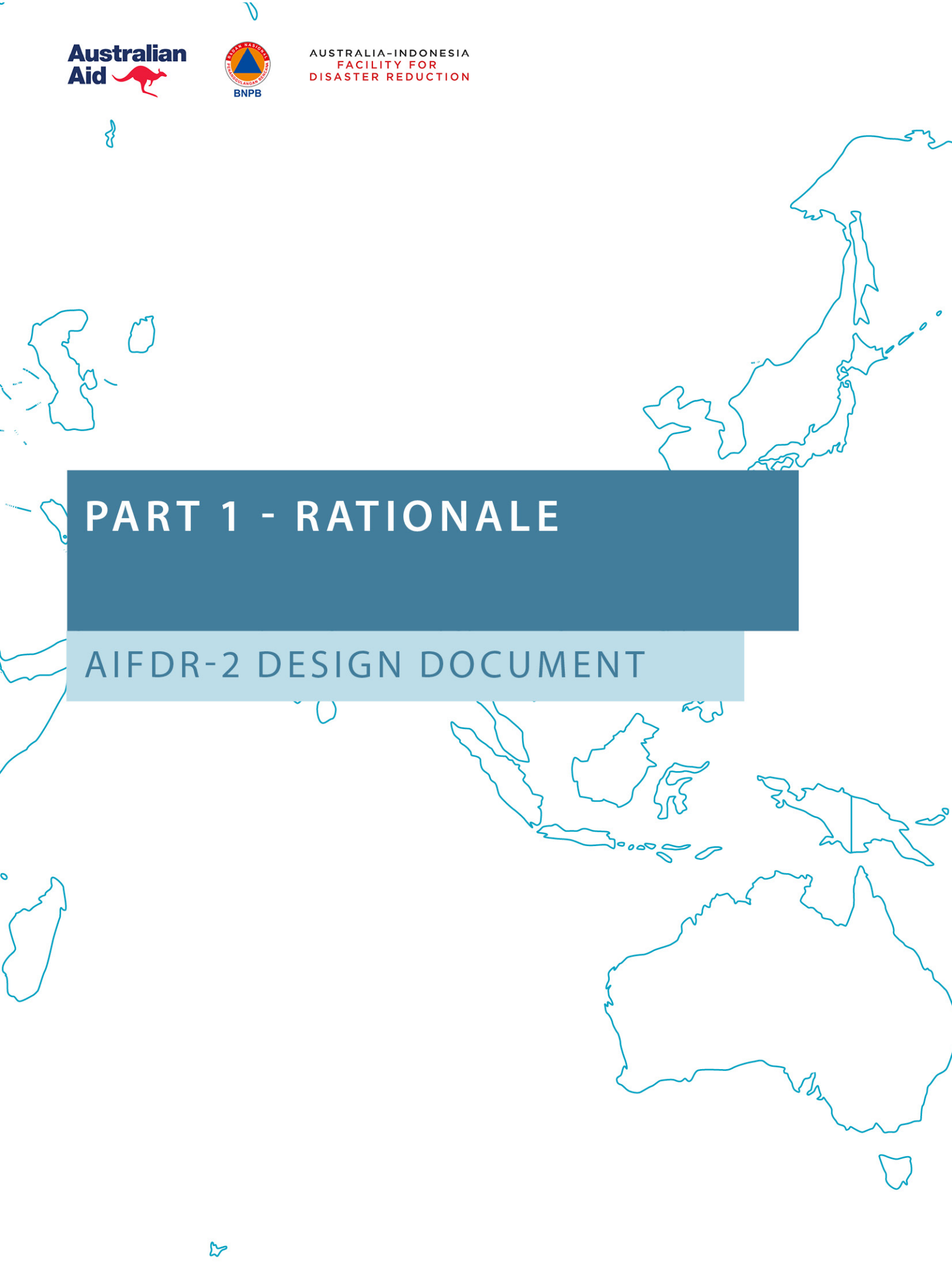


PART 1 - RATIONALE

AIFDR-2 DESIGN DOCUMENT

2. Rationale

2.1 Overview

- Indonesia is one of the world's most disaster prone countries.
- Improved disaster risk management reduces economic impacts and protects development gains. The World Bank reports that US$1 out of US$3 dollars in development funding is lost as a result of recurrent crises, totalling US$3.8 trillion over the last 30 years.[4] The Asia-Pacific region accounts for 25% of the world's GDP, but has suffered 42% of global economic loss due to natural disasters. The estimated annual economic impact of natural disasters in Indonesia is 0.3% of GDP or US$1.5 billion.
- The almost 112 million people living on less than US$2 a day[5] are only a single disaster away from falling back into abject poverty, while many millions more, who survive on incomes marginally above the poverty line, are particularly vulnerable to disaster shocks.
- Disaster risk management (DRM) is an emerging sector in Indonesia. Following the tragic Indian Ocean Tsunami, the Government of Indonesia (GoI) worked with civil society and international stakeholders to draft the country's first disaster management law (UU No. 24/2007 on Disaster Management) which shifted focus from response to disaster preparedness and mitigation.
- The new law was a Presidential priority and witnessed the creation of the country's first dedicated national disaster management agency, *Badan Nasional Penanggulangan Bencana* (BNPB). The head of BNPB is a direct Presidential appointee.
- Disaster management is a priority of the Indonesian administration and the Indonesian President. DRM is one of the top 11 priorities in the current Medium Term Development Plan (2010-2014). Indonesian President Susilo Bambang Yudhoyono was appointed the Global Champion for DRR in 2011 by UN Secretary-General Ban Ki-moon.
- The Disaster Management Law has also witnessed the creation of a new sub-national disaster coordination and command structure - 34 provincial disaster management agencies (BPBD) and up to 400 district agencies (BPBD). The level of capacity at the sub-national level is particularly low which hampers professional DRM service delivery to communities. BPBD lack resources and skilled staff, while weak regulations affect performance.
- BNPB is mandated with building the technical capacity and disaster management skills of local BPBD. This includes planning (risk assessments, contingency plans and response plans) and practical skills (rapid assessment, response coordination and command, logistics, needs assessment and coordination of recovery and rehabilitation).
- The Australia-Indonesia Facility for Disaster Reduction (AIFDR) was announced at APEC in 2008 and has built a strong partnership between DFAT and BNPB. AIFDR-1 was implemented through the early years of BNPB's development as a new agency and provided value-added support in disaster hazard science, robust disaster preparedness systems and strong, institutionalised disaster mitigation and resilience policy, while providing important linkages to other DFAT decentralisation and community development programs. AIFDR-1 specialisation included disaster scientists from Geoscience Australia, as well as disaster risk management and community development specialists.

4 Yates, M 2014, *Launch of the Global Resilience Partnership,* Rockefeller Foundation & USAID.

5 This is the current poverty marker used by the DFAT – Australian Aid Indonesia program and featured in the Annual Program Performance Report.

- AIFDR-1 outcomes have included the development of world-first disaster technologies for use by disaster managers to bridge science with communities; an influential capacity development support program with specialist consultants advising on disaster management policy and the development of a national DRM training program; support to four provincial BPBD including skills training and development of local DRM policy; district institutional and technical training support programs implemented by civil society, the Indonesian Red Cross and Indonesian faith-based organisations; community-based disaster risk management programs implemented by NGOs and local CSOs designed to link communities with local governments; the construction of Indonesia's first regional disaster management training hub in Sumatra; the construction of Emergency Operations Centres and accompanying provincial-level command systems in Eastern Indonesia (South Sulawesi and NTT); and support to UN and ASEAN initiatives.
- AIFDR-1 has advocated the notion that disaster preparedness is everybody's business and hence supported policy and practical activities to engage the private sector. This has included the development and piloting of BNPB's Private, Public & People Partnership (P4), the creation by NGO partners of a database outlining private sector involvement in disaster response, risk reduction and recovery; and the support of multi-stakeholder Disaster Risk Reduction (DRR) Forum at national and sub-national levels.
- AIFDR-1 has proved to be an important bilateral initiative in terms of improving Indonesia's capacity to self-manage disaster, but is also vital for the Australia-Indonesia relationship should a catastrophic disaster overwhelm national capacity to respond.
- The Australia-Indonesia Facility for Disaster Reduction Phase 2 (AIFDR-2) is a consolidated DRM investment that builds on lessons from the first phase of AIFDR while seeking to trial new approaches to community resilience and local government capacity development. With an expanded focus on the sub-national level, AIFDR-2 will facilitate and model interactions between local government and citizens for improved DRM service delivery through the involvement of civil society and the private sector. The investment will align with national government community empowerment programs, including PNPM and the new Village Law, to demonstrate the need for disaster risk management to be integrated at the community level. At the same time, AIFDR-2 will maintain the national level programming and partnerships that have characterised Australian DRM investments in Indonesia, to enable and influence a robust policy environment and to maintain strong bilateral links between the two countries.

2.2 AIFDR-2

In line with Australian and Indonesian interests, the overarching goal of the AIFDR-2 investment is to *save lives and reduce the economic impact of natural disasters on communities*.

The new investment seeks to strengthen community resilience and increase local government disaster preparedness capacity. It will build the technical and organisational capacity of new local disaster management agencies (*Badan Penanggulangan Bencana Daerah* - BPBD) in order that they play a credible role in the coordination, command and implementation of disaster preparedness and mitigation and to respond quickly and effectively to emergencies.

AIFDR-2 has been designed to:

- Improve disaster management and local resilience in up to 20 districts across 4 provinces. Using average population data from the identified provinces, this amounts to approximately nine (9) million beneficiaries at the district level;
- Replicate these disaster risk management outcomes to villages, districts and provinces beyond the initial target areas.

Therefore, AIFDR-2 has two inter-linked end-of-investment outcomes.

1) Replication of DRM service delivery models at the sub-national level;
2) BNPB sets the policy framework for effective DRM service delivery at the national and sub-national level.

AIFDR-2 will work with non-government organisations (NGOs), civil society organisations (CSOs), the private sector and district, provincial and national governments to ensure that these end-of-investment outcomes are achieved. Replication will be aimed at three, interlinking levels:

i. At the community level it is expected that NGOs and CSOs will facilitate the integration of DRM into local village planning, particularly through the emerging Indonesian Village Law. NGOs and CSOs will be expected to bridge community needs with local government and interact with local government to promote good DRM governance. Selected NGOs and CSOs will pilot and monitor the national Resilient Villages program and learning from these pilots will be expected to demonstrate replicable and cost-effective approaches for local disaster preparedness and disaster mitigation;

ii. In the target districts and provinces, organisational capacity and technical skills will be improved enabling more credible coordination of pre-disaster preparedness activities and command of disaster response situations. A key outcome will be improved planning and financial management skills, working in direct partnership with other DFAT programs, and increased local funding to BPBD to enable the up-scaling of local DRM service delivery utilising new partnerships and cost-effective approaches. Under their terms of reference, local advisers and consultants will be responsible for the feedback and coordination of lessons from community-level programming into local government agencies;

iii. At the national level, AIFDR-2 will focus on improved DRM policy and the piloting of national programs including the BNPB Resilient Village Program, the national Tsunami Preparedness Master Plan, and the national DRM training program. Using a knowledge-to-policy strategy, success at the sub-national level will be mainstreamed into the creation, review and improvement of national DRM policy. By linking to the broader DFAT program, greater interactions will be facilitated between BNPB and key development agencies including Bappenas, Ministry of Home Affairs, Ministry of Marine Affairs and Fisheries, and the Coordinating Ministry for Social Welfare. In addition, the science program will improve capacity of national science agencies and create a science product demand within BNPB for the use and replication of hazard science throughout the country.

The two end-of-investment outcomes will be achieved through a combination of outsourced programs underpinned by strategic inputs from the DFAT Disaster Response Unit and supported by grants to international humanitarian agencies and regional partners.

The Disaster Risk Management Community Resilience and Technical Expertise (DRM-CREATE) program will link national policy with sub-national DRM practice. Adopting a “top down-bottom up” approach to DRM capacity development, the program will build national and sub-national organizational and technical skills while supporting partnership with civil society to facilitate and empower communities to demand appropriate and relevant DRM services through the creation of local government and community interactions and associated forums for dialogue and discussion on DRM issues[6]. This component will be implemented by a managing contractor / implementing consortium to ensure robust program management and support structures at the sub-national level.

AIFDR-2 will continue to support the development of better natural hazard science as well as technological tools and approaches for connecting this knowledge to communities and district level

6 For definitions of terminology used in this design see ***Annex 1.1***

disaster managers. As such, the Geoscience Australia Technical Assistance Program (GA-TAP) will work closely with DRM-CREATE to ensure that hazard science and new technologies are being trialled in AIFDR-2 demonstration provinces and districts, and that the learning from these trials is fed back to BNPB and Indonesian science agencies. GA-TAP will maintain the strong relationships forged with Indonesian science agencies, BNPB, the World Bank and international hazard science specialists, showcasing Australian and Indonesian science and technology.

Finally, support to international humanitarian and regional institutions will continue in recognition of their importance in assisting Indonesia during major disasters and their broader role in helping to strengthen national preparedness systems. Modest funding will be targeted at efforts that develop and operationalise key regional bodies, such as the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre). The DFAT Disaster Response Unit, which comes under DFAT's disaster management portfolio, will manage a number of activities designed to maintain Australian disaster readiness and support the strengthening of Indonesian national-level preparedness systems, particularly by improving the interface between national and international disaster response systems. These inputs will underpin and complement the key AIFDR-2 programs.

2.3 Principles for Investing in DRM in Indonesia

The design of AIFDR-2 aligns with the strategic priorities of the GoA and GoI and is guided by the following principles[7]:

- Improve the effectiveness of key GoI DRM service delivery institutions through strengthening capacity and accountability at all levels;
- Leverage Indonesia's own resources, through helping to trial and replicate approaches that will enable the GoI to make policy and program choices based on evidence;
- Ensure linkages with the broader DFAT Development Cooperation program to enable efficiencies and greater impact;
- Build capacity at government and community levels to understand and respond to the DRM needs of marginalised and vulnerable people;
- Promote gender equality and women's resilience at all levels of government and with target villages through discussion and practice[8];
- Strengthen the role of the private sector as a responsible investor into disaster response and recovery, ensuring that the principles of disaster risk reduction are integrated into all activities;
- Strengthen Indonesia's disaster risk reduction capacity and ability to plan effective responses to reduce impacts in terms of loss of life, assets and development gains;
- Strengthen regional and international disaster response preparedness processes to support Indonesia in strengthening national-level preparedness systems and develop agreed structures to assist in the event of large-scale emergencies which overwhelm national capacity;
- Align with Australia's interests as well as international policy and standards for DRM.[9]

These principles have enabled the identification of key priority areas for investment, in line with budget allocations, that will seek to leverage GoI resources for improved DRM performance outcomes.

7 These high-level principles were presented to the BNPB Design Team

8 For specific principle and guidance on gender equality and social inclusion see ***Annex 2.8.***

9 For example: Australia's Humanitarian Action Policy (HAP), the Hyogo Framework for Action (HFA) and the Yogyakarta Declaration.

2.4 The AIFDR-2 Design Process

The AIFDR-2 design is the product of an extensive, facilitated process. Due to the strong existing partnership between Australia and Indonesia in the DRM sector, AIFDR-2 has been designed together with the BNPB, a wide range of other Indonesian and Australian government and non-government stakeholders, and global leaders in the fields of DRM, social science and science. The key stages of the design process were:

1. **Concept Development:** AIFDR-1 undertook preliminary scoping and analytics, multi-stakeholder workshops and strategic discussions with GoI.[10] The Concept Note was posted for industry-wide consultation with almost 30 submissions received from local and international non-government organisations, UN agencies, managing contractors, civil society organisations and individuals.
2. **Detailed Analytics:** AIFDR-1 commissioned a range of analyses to inform the investment theory including Political Economy, Gender and Social Inclusion, Public Financial Management, Organisational Development and Community Resilience (See Volume 3: Analytics).
3. **Design Development:** The AIFDR-2 design team, supported by a design facilitator and design writer, worked together to develop the investment theory and design document. GoA technical staff and expert consultants who undertook key analytical work participated in content reviews throughout the design process.
4. **Redesign:** Changes in budget allocations resulted in the need for an amended Investment Design Document with reduced scope.

The Design Concept was successfully peer reviewed in Indonesia and by the Strategic Programming Committee in Canberra, while the Investment Design Document was positively reviewed by peers and a separate independent assessment. The redesign has been reviewed by the Indonesia Advisory Programming Group (IPAG). BNPB's high-level commitment and ownership was demonstrated by the BNPB Prime Secretary establishing a dedicated team to assist with the AIFDR-2 design, providing a forum through which strategic multi-departmental discussions could be undertaken to ensure the alignment of AIFDR-2 with BNPB's priorities, and to manage BNPB expectations of the future investment. Some of the key GoI expectations that emerged from this process included the need to:

- Align AIFDR-2 activities with BNPB's strategic priorities;
- Continue focus on technical support at the national level to assist BNPB with DRM policy and the development of a robust national training capacity;
- Explore innovative ways to deliver quality technical training to the sub-national level;
- Engage civil society organisations as partners in building community resilience.

3. Disaster Risk Management in Indonesia

3.1 Indonesia's Disaster Profile

The increasing frequency, cost and impact of disasters is a serious global issue and Indonesia emerges as one of the most vulnerable natural disaster prone countries in the world[11]. BNPB monitors a range of hazards including earthquakes, tsunamis, floods, volcanic eruptions, forest fires, landslides and drought. Indonesia has more earthquakes than any other country in the world and the most recent earthquake hazard map for Indonesia suggests that more than 94% of the nation's population is living in regions of earthquake hazard high enough to cause building damage, deaths or injuries.

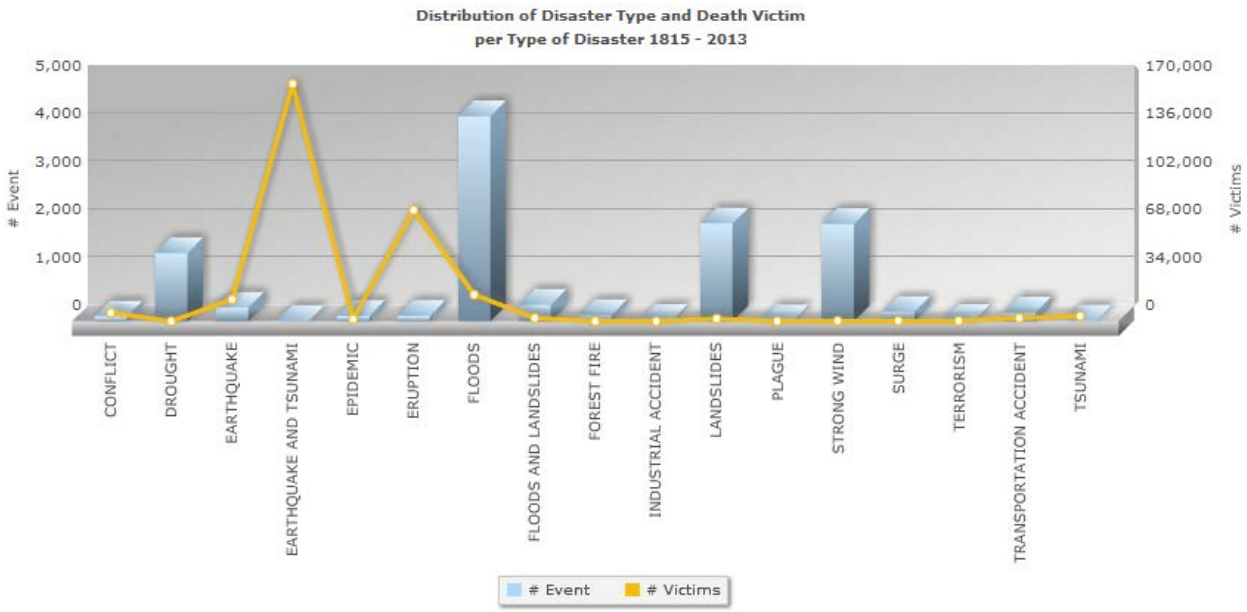
10 The resulting Concept Note was accepted at Concept Peer Review and approved by DFAT's Strategic Programming Committee in August and September, 2012 respectively.

11 World Bank 2011, *Disaster Risk Management Programs for Priority Countries*, pp. 154-164.

The 2004 Indian Ocean Tsunami killed more than 130,000 people in Indonesia alone and devastated the coastline of Aceh Province. This event was to have major political ramifications, both within Indonesia and in strengthening the bilateral relationship between Australia and Indonesia. The GoA became the largest donor to Indonesia after the Indian Ocean Tsunami, pledging $1 billion in support. Over the past 10 years, Australia has continued to be the largest supporter of Indonesia's efforts to improve its disaster management systems. Within Indonesia, the Indian Ocean Tsunami was the trigger for major reform to the country's disaster management sector and resulted in the development of the first ever Disaster Management Law and a national and sub-national disaster coordination and command system. AIFDR-1 represented the first bilateral agreement between the country's new national disaster management agency (BNPB) and an international donor. The need for this direct, bilateral approach is driven by the enormity of the disaster challenges facing a diverse island nation such as Indonesia. Large disasters are common, and the potential for mega-disasters is extremely high. According to the most recent tsunami hazard map for Indonesia, an estimated 26 million Indonesians live within 5km of the coast in high-risk tsunami hazard districts that are likely to have their lives and livelihoods interrupted by a large tsunami[12]. The tragic Typhoon Haiyan in neighbouring Philippines was a stark reminder to the need for strong partnerships in disaster risk management.

In addition to earthquake and tsunami risks, many parts of Indonesia suffer from persistent flooding. Between 1970 and 2009, while earthquakes and tsunamis caused the largest number of deaths in the country, floods affected the greatest number of people[13]. While rarely as devastating as a single earthquake or tsunami, their cumulative impact to communities, particularly the poor, affects livelihoods and restricts economic growth. According to the 2013 Global Assessment Report on Disaster Risk Reduction (GAR), the accumulated losses from small-scale, highly frequent and localised disaster events, such as seasonal flooding, approach in magnitude those of major disasters and contribute to declines in economic growth, social welfare and ecosystems. Urban and rural areas, particularly in low and middle income countries, experience regular small disasters that undermine local development as well as national economic competitiveness[14].

Figure 1: Distribution of disasters and victim numbers in Indonesia –source: BNPB



12 This estimate is computed by considering the Indonesian population that live within 5 km for the coast for every district ranked as high or very high in the National Tsunami Hazard Assessment for Indonesia; Horspool et. al. 2013, *A National Tsunami Hazard Assessment for Indonesia*.

13 ASEAN 2010, *Synthesis Report on Ten ASEAN Countries Disaster Risks Assessment* (people affected by flood estimated at 7.581 million).

14 UNISDR 2013, *Global Assessment Report on Disaster Risk Reduction.*

3.2 The Impact of Disasters on Development Gains

Natural disasters, therefore, not only cause significant loss of life and social impacts, they can undermine, or even reverse, economic and development gains. The 2013 GAR states that losses from major disasters trigger indirect losses and wider impacts that can challenge the macroeconomic stability of even high income countries. The Asia-Pacific region accounts for 25% of the world's GDP, but has suffered 42% of global economic loss as a result of disaster[15]. As an emerging middle income country, Indonesia needs to recognise and mitigate the potentially significant macroeconomic implications of its frequent experience of disasters if it wants to promote competitiveness and strengthen economic sustainability.

Across Indonesia, the estimated annual economic impact of natural disasters is currently 0.3% of gross domestic product (GDP) or US$1.5 billion[16.] However, a single catastrophic event can have even greater effect and the economic impacts at the sub-national level are considerably higher. For example, the economic impact of the Indian Ocean Tsunami in Aceh was estimated at US$4.5 billion or 54% of provincial and 1% of national GDP. Similarly earthquake events in Yogyakarta (2006) and West Sumatra (2009) resulted in estimated losses of US$3.1 billion and US$2.3 billion, representing 41% and 31% of regional GDP respectively[17].

Indonesia has been identified by the World Bank as a lower-middle income country, with national gross annual per capita income now pegged just above US$3500[18]. However, despite Indonesia's strong macroeconomic growth (posted at 5.8% for 2013) the inequality gap is sizable[19], with approximately half of Indonesia's 234 million population clustered around the national poverty line set at US$22 per month. While disasters are indiscriminate, people hovering on or just above the poverty line are disproportionately impacted by regular disasters such as seasonal flooding and face increased vulnerability to major, sudden-onset disasters such as earthquakes, tsunamis and volcanoes. Moreover, UN and World Bank studies have shown that women currently account for 70% of the world's extremely poor[20], further increasing women's vulnerability to sudden and slow-onset disaster. UNESCAP and UNISDR say that many regular disasters, particularly in rural areas, go unreported because local governments lack the technical and human resources for community-level disaster monitoring, are unable to fully identify or map potential local hazards or develop the appropriate rescue, recovery or reconstruction plans[21].

At the household level, the destruction of homes, private assets and livelihoods push poor people deeper into poverty and force the near-poor back into poverty. Vulnerability is heightened by the fact that people rarely insure their assets against natural disasters. Added to this is the limited choices for the poor and near poor, who are often forced to live in high risk areas, such as along rivers or in flood plains, or within houses that are poorly constructed and unsafe. Rapid urbanisation is compounding this problem.

Improved economic growth reduces poverty, creates improved education opportunities and higher quality public health. However, natural disasters can seriously disrupt this improved government service delivery with the destruction of key public infrastructure (e.g. schools and hospitals) and the death or injury of service delivery staff (e.g. teachers, health workers, government officials). This was

15 UNESCAP & UNISDR 2010, *Protecting Development Gains: Reducing Disaster Vulnerability and Building Resilience in Asia and the Pacific*.

16 World Bank 2011b, *Indonesia: Advancing a National Disaster Risk Financing Strategy – Options for Consideration*.

17 Ibid p. 7.

18 World Bank 2013, *Indonesia Overview*

19 Indonesia's GINI Index which measures income distribution has been steadily increasing since 1999 and in 2012 measured 0.4. According to BPS figures one-fifth of Indonesia's income earners hold almost 50% of the nation's total household income.

20 Dawson, S 2013, *Woman power is key to ending poverty and must remain a top development goal – UN official*

21 UNESCAP & UNISDR 2010, *Protecting Development Gains: Reducing Disaster Vulnerability and Building Resilience in Asia and the Pacific.*

a key concern as a result of the 2009 West Sumatra earthquake. The need to include hospitals, local health clinics and schools in provincial and district-based disaster planning is paramount to continued service delivery during crisis situations. Effective service delivery to citizens takes into account the local risk profile and puts into place appropriate contingency plans. For example, the eruption of the Mt Kelud volcano in East Java in early 2014 highlighted a lack of planning for local health clinics and schools which had no or limited stockpiles of masks to protect patients and students.[22]

According to the 2013 GAR, climate change, environmental degradation, deforestation and the over-exploitation of natural resources further results in increased risks to natural capital. One example of this is the effect of forest fires on tropical ecosystems, which is estimated globally to cost in excess of US$3 trillion each year.

3.3 Capacity Challenges Within a New and Emerging DRM Architecture

The DRM sector in Indonesia is evolving rapidly. Over the past five years, Indonesia has seen the growth of the national disaster management agency (BNPB) and almost 400 sub-national agencies (BPBD). The speed at which the development of disaster management agencies has taken place has also resulted in capacity gaps, particularly at the sub-national level. However, the emerging sub-national DRM architecture also provides scope for increased Australian engagement at both the technical and policy levels. AIFDR-1 commissioned a series of analytics on the DRM sector as part of this design (see Volume 3). These analytics included a rapid organisational assessment of BNPB and BPBD, the political economy of the DRM sector, gender and social inclusion, community resilience and public financial management. Together, these studies presented a comprehensive overview of the DRM sector and particularly the challenges facing the development of robust sub-national DRM structures. Key issues impacting on the evolution of this sector are:

- Indonesia's current DRM framework is still new and evolving. It was established with the passage of Law 24/2007 on Disaster Management which created dedicated national and sub-national agencies[23]. The new national architecture expanded the focus to include not only disaster response, but also preparedness, mitigation and recovery;
- BNPB has developed quickly and confidently. However, as a relatively new agency there is a need to support robust policy development, institutional strengthening and broader bureaucratic reform to support agency credibility;
- The Head of BNPB reports directly to the President. This means that BNPB has high-level attention, and is often driven by Presidential priorities. An example is the former President SBY's *Master Plan for Reducing Tsunami Risk*. As a result, focus within BNPB can be quickly moved from ongoing, longer-term initiatives to emerging priorities. This demands a degree of flexibility from BNPB staff;
- Sub-national disaster management agencies (BPBDs) have also been established to coordinate efforts before, during and after a disaster. All 34 provinces have established BPBDs. To date, 388 out of 491[24] district BPBDs have been established, but analysis and institutional assessments undertaken for this design have shown these new agencies to be poorly financed and lacking technical capacity.[25] Most district BPBD are very new, having been formed over the past two years, and therefore lack resources and qualified staff;

22 Nasution, D 2014, 'Moving Mountain Closed Schools in Some Districts of East Java', AIPD.

23 The Hyogo Framework for Action calls for decentralisation of DRM to promote community-level DRR. More than half of the 82 countries and territories that reported progress implementing the HFA in 2010 confirmed that local governments have legal responsibility and budgets for DRM. (see UNISDR 2011, GAR).

24 BNBP website

25 Pellini 2013, *You have to know who lives in danger*; Universalia 2013, *Improving Performance of Disaster Management Agencies in Indonesia: Rapid Organisational Assessments of BNPB and BPBD*.

- On average, provincial and district BPBD rely on central government funding which is often restricted in scope. Sub-national BPBD usually receive less than 1% of the provincial or district budget and rarely receive activity and/or program funding;
- The DRM sector in Indonesia is complicated by the fact that up to 37 ministries and agencies at the national and sub-national level deliver services before, during and after a disaster.[26] This adds specific challenges and complexity for the coordination functions of BNPB and BPBD and highlights the importance of establishing the credibility of BPBDs to enable them to fulfil their mandated coordination functions;
- Law 24/2007 also acknowledges the roles of non-state stakeholders in DRM. This includes communities, civil society organisations, the private sector, media and academia. While decentralisation encourages more responsive local government services through interaction with communities and civil society, this can be challenging where local government capacity is low. The private sector is emerging as a key actor at national and sub-national level and AIFDR-1 has been instrumental in assisting the development of national regulations for the involvement of the private sector in DRM and piloting BNPB's national Public-Private-People Partnership (P4) program.

3.4 DRM Service Delivery

BNPB and BPBD's primary service delivery function is to coordinate response in the event of a disaster, ensuring that the response prevents more casualties and reduces prolonged suffering. This consists of a wide range of services from the supply of food and non-food items, provision of shelter, water and sanitation facilities, and the protection of vulnerable groups such as children, women, elderly and people with disabilities. Disaster response requires cooperation and coordination with other line ministries and agencies including the Ministry of Health, Ministry of Education, Ministry of Social Affairs, Ministry of Public Works, the military and police, community radio associations (ORARI / RAPI) and other media actors.

In the pre-disaster space, there is much to be done prior to a response. It takes considerable planning, preparation, coordination and mobilisation of resources to launch an effective and efficient emergency response. Although not always considered the delivery of a direct service, BNPB and BPBD are responsible for coordinating preparedness for response, which includes disaster risk assessments, contingency planning, mapping resources for potential mobilisation, installation of early warning systems, evacuation signage and evacuation sites, stockpiling and updating emergency supplies, disaster simulations for coordination and testing of disaster management plans.

During the recovery process, BNPB and BPBD have a responsibility to assist affected communities to enable them to recover as soon as possible by coordinating the provision of basic services, shelter and support to rebuild livelihoods. This can involve the provision of seed funding to restart urban businesses or support rural livelihood ventures, support to rebuild houses and critical infrastructure, and continued basic services such as education and health while the schools, hospitals and clinics are being rebuilt.

Disaster risk reduction and disaster resilience and mitigation learns from past disaster events. It seeks to reduce both the loss of life and the economic impact of events by educating at-risk communities and providing greater opportunities for survival through warning systems, disaster-proofing critical infrastructure and protecting livelihoods in order that impacts are reduced, economic gains are protected and lives are saved. BNPB and BPBD are mandated with leading on the coordination of disaster risk reduction activities.

26 BNPB 2013, *5 Tahun BNPB: Tumbuh, Utuh, Tangguh*

3.5 Mainstreaming Disaster Risk Management

Through AIFDR-2, DRM and DRR mainstreaming occurs at two different levels: 1) AIFDR-2 is responsible for DRM and DRR mainstreaming within the DFAT Development Cooperation Indonesia program; 2) BNPB, as the DRM duty-bearer in Indonesia, is responsible for mainstreaming DRM and DRR to other Indonesian line ministries, especially the Ministry of Home Affairs that oversees provincial and district BPBD.

AIFDR-2 will continue to advocate and work together with other DFAT programs in order to create an understanding of DRM as a cross-cutting issue. The integrated approach to development and service delivery represented by DFAT's Frontline approach also opens up opportunities for practical mainstreaming. It is important that other DFAT programs understand the discussion and dialogue around integration of DRM into national, sub-national and sectoral development and action plans in order to help minimise the impacts of disaster. Furthermore, the new Indonesian Village Law and introduction of unconditional grants to villages opens new opportunities for mainstreaming disaster preparedness and risk reduction into local level planning and action.

AIFDR-2's key counterpart BNPB should equally be active in engaging other line ministries to promote and monitor levels of DRM integration into sectoral development plans.

Broader DFAT development programs can influence and advocate for ensuring that DRM is considered by their government counterparts in sectoral development planning. With AIFDR-2 assistance, DFAT can leverage its relationship with Bappenas to run DRM health checks over national development plans.

Some other examples of how DRM can be integrated by the existing DFAT Development Cooperation program and within GoI line ministries include:

Education - Integration of disaster preparedness drills for students, teachers and school committees; building standards for schools in disaster prone areas (avoid the use of glass windows, sufficient corridor space and stair width, sufficient emergency exits, etc.); the integration of disaster risk management either into the school curricula or through extracurricular activities; preparation of emergency education during displacement.

Health - Triage system drills to prepare for any disaster; building standards for hospitals / clinics in disaster prone areas (buildings elevated in flood prone areas, avoidance of glass windows in the patient rooms and blockage-free exits for earthquake-prone areas, etc.); Business Continuity Plan (BCP) / Crisis Management for hospitals and clinics.

Economy - Development of BCP and Crisis Management teams especially for Small-Medium Enterprises (SMEs); disaster risk transfer for the national government to minimise the costs of rehabilitation and reconstruction.

Decentralization and bureaucratic reform - DRM integration into development priorities as outlined in the local medium-term development plans (RPJMD); better spatial planning with policy development for minimum settlement in impact-prone areas; disaster-sensitive budgeting and holistic development policies. AIFDR-1 has facilitated access for BNPB to a number of DFAT-funded bureaucratic reform programs to assist BNPB in its internal reform agenda.

Rural development - Integration of DRM into village development plans, especially in disaster-prone areas; the establishment of village preparedness teams; trialling of disaster resistant cropping varieties particularly in flood-prone areas; crop protection mitigation measures; the establishment of local early warning systems and evacuation simulations.

Community development and social protection – Improved DRM training for community facilitators with the PNPM program to ensure disaster risk reduction principles are included in local infrastructure projects; integration of DRM into village planning particularly as part of the emerging

Indonesian Village Law; the use of OpenStreetMap technologies for poverty mapping which will assist in providing valuable social impact data for disaster impact mapping and scenario development.

AIFDR-2, through its support to BNPB, will facilitate and assist the agency to undertake its mandated role to mainstream DRM with other Indonesian line agencies. This has started to take form through national programs, such as the Master Plan for Reducing Tsunami Risk. AIFDR-1 has facilitated BNPB interaction with the Ministry of Home Affairs (MoHA) to provide specific DRM inputs into the Indonesian Village Law implementation regulations (*Perpres*). The Executive Committee under AIFDR-2 governance arrangements will ensure key DRM issues are raised with multiple key partners.

3.6 The Role of the Private Sector

There is a need also to mainstream DRM and DRR into the private sector, and to leverage private sector investment into DRM for improved sustainability and replication. The GoI has identified the private sector as an important stakeholder in DRM, and the orange triangle-shaped BNPB logo symbolises the symbiotic relationship between the government, the community and the private sector in disaster management. As a follow-up to the 2011 World Economic Forum, Indonesia was one of only three countries to develop a national Disaster Resource Partnership (DRP) involving some of Indonesia's largest engineering and construction companies (see Box. 1). The DRP offers potential opportunities for Australian companies.

AIFDR-1 has assisted BNPB to pilot its Public, Private & People Partnership (P4) and at the national level and in demonstration provinces has supported the development of DRR Forum with government, community and private sector membership. In South Sulawesi, for example, private sector engagement with the DRR Forum is particularly high and is led by the local media company, Fajar Media, which sees DRR and DRM as an important part of its public service role. AIFDR-1's NGO partner Oxfam International has also developed a private sector DRM directory, which maps those private sector companies that have been involved in disaster preparedness, response and recovery. The directory will be used by BNPB to identify companies for future potential partnerships in DRM. One of the key challenges, from a pro-bono or corporate social responsibility standpoint, is that the private sector is predominantly interested in high-profile response and recovery activities rather than investment into pre-disaster activities. BNPB is looking into strategies to encourage the private sector to consider investment into community preparedness and other pre-disaster programs, including alignment with the Master Plan for Reducing Tsunami Risk. A number of foundations linked to high-profile Indonesian companies have been mainstreaming DRR and disaster preparedness into community programs supported by their corporate social responsibility units.

The private sector is a key actor, as well as a target beneficiary, of DRM service delivery. Companies with specific core business specialities can assist with disaster resilience and mitigation by bringing specific expertise to the table. For example, construction companies can provide speciality in disaster-resistant infrastructure, or the retrofitting of public facilities (see Box. 1). Businesses can also contribute expertise in developing business continuity plans / crisis management for small to medium-sized enterprises. Large insurance companies can assist local and national governments with reinsurance and disaster risk-transfer packages. This particular example is beyond corporate social responsibility and places the insurance company as a key DRM stakeholder while also profiting from their DRR products.

In the event of a disaster, the private sector is impacted along with the rest of the exposed population. There are several options to mitigate these impacts such as: i) placing critical assets in a safe location and / or creating off-site back-up plans for important data / databases; ii) developing business continuity plans that are tested and refined; and iii) transferring risks by investing in specific risk-transfer insurance products.

Activities that can be explored through AIFDR-2 include:

- The promotion of emerging micro-insurance products at the community level. Large Indonesian insurance companies have been testing small-value insurance products that provide one-off cash injections following disaster events. Research conducted by the Muhammadiyah University in Surakarta, Central Java, under the AIFDR-1 Research and Innovation grants scheme identified a micro-insurance scheme for small business owners and market sellers to protect livelihoods if impacted by a local disaster;
- Pro-bono or corporate social responsibility (CRS). This "smart business model" sees companies wanting to demonstrate that they care about communities (it is most common during response or recovery where activities provide company or product profile and visibility). AIFDR-2 will build on the existing support for policy development for private sector engagement utilising the DRM private sector directory;
- AIFDR-1 has held discussions with the World Bank and international reinsurance companies on how current open-source and participatory science products, including InaSAFE and OSM, can be used to help create an evidence-based indexing system for disaster insurance in Indonesia. The GoI, through the Ministry of Finance, commissioned private company PT Asuransi Maipark to assist with this approach.
- The private sector, particularly Australian companies, are key bidders for recovery projects after major disasters. The key component of AIFDR-2 (DRM-CREATE) will be tendered;
- AIFDR-2 will continue to monitor the Disaster Resource Partnership in Indonesia and identify opportunities for broader engagement in the disaster response and recovery space.

Box. 1: Disaster Resource Partnership (DRP) Indonesia

The 2011 World Economic Forum established the Global Disaster Resource Partnership (DRP), a framework for the engineering and construction industry, government and the humanitarian community to work in partnership when disasters occur. In this way private sector expertise can be better used to reduce suffering and rebuild communities following a natural disaster. Private sector expertise might be accessed in a number of ways, including the direct involvement of companies during emergency relief, the secondment of professionals to NGOs or the UN, or partnering experts with local governments or institutions. The global DRP, supported by a DRP secretariat in Geneva, has ten private sector partners and a number of humanitarian partners, including the UN Office for the Coordination of Humanitarian Affairs (OCHA) and the Red Cross/Red Crescent movement. The British Department for International Development (DFID) and the US Federal Emergency Management Agency (FEMA) are the only two government agencies currently involved in the global DRP. National level DRPs have been created in Indonesia, India and Mexico

DRP Indonesia was formally launched by the Indonesian President in 2012 with involvement of the ten largest Indonesian engineering and construction firms. The DRP Indonesia has a Memorandum of Understanding with the Coordinating Ministry for Social Welfare (Menkokesra), and engages closely with BNPB, the UN (particularly OCHA) and NGOs in the process. Throughout its establishment in 2011/2012, DFAT was invited as the sole donor representative to provide advice.

After the Central Aceh earthquake in July 2013, the DRP Indonesia members joined to conduct assessments and worked on rehabilitating two local clinics and two schools.

3.7 Gender, Social Inclusion and Disasters

A key theme and guiding principle of the new AIFDR-2 is the need to promote and demonstrate rights-based and inclusive approaches to DRM. Community resilience cannot be strengthened without ensuring that all people are included in DRM planning and action. Particular groups face

greater risks, for example those living in hazard-prone locations (often the poorest members of the community); those living and working in poorly constructed buildings; people relying on agriculture-based livelihoods that are vulnerable to natural disasters; and those lacking resources to recover from the effects of a disaster.[27]

Women, children, people with disabilities, and the elderly often experience higher rates of mortality, morbidity and post-disaster diminishment of livelihoods or well-being, including exposure to violence, harassment and exploitation.[28] Women (particularly those widowed) and girls also face increased burdens[29] in post disaster environments, including restricted access to education and basic services, and in many cases face socio-cultural norms and challenges that reduce their capacity to recover[30]. Their vulnerability is exacerbated by a lack of means to recoup lost assets, limited livelihood options, poor access to appropriate services and a lack of bargaining power. At the same time, the agency of these so-called vulnerable groups is overlooked. Women, children, people with disabilities and other marginalised groups can be active champions for change. For example, women's roles within family units and as emerging leaders at the village level provide an opportunity for them to embrace and promote positive change in their communities.

Despite this, analysis undertaken as part of the design (see Volume 3) has identified that reaching different groups of vulnerable people in Indonesia and responding to their specific needs is challenging because of economic, social and political processes that limit the capacity of certain groups to participate in DRM activities. As a simple, practical example, vulnerable and marginalised people often lack a voice in the selection and design of evacuation routes and shelters that meets their different physical capabilities and in expressing their different needs for emergency response (such as provisions for babies, medication for the elderly, sick and those with HIV, accessibility measures for those with disabilities). In another example, women are often overlooked in discussions around local mitigation measures for flood-affected crops despite the fact they spend a great deal of time working in the very fields that are continually inundated. As part of an Oxfam International community DRM program supported by AIFDR-1, female members of local disaster management teams joined together to successfully lobby the local government in NTB for flood mitigation works.

While overarching national government policies exist, the implementation arrangements are not yet in place and provincial and district governments are not yet sufficiently prepared to address issues of social and gender inclusion for DRM. They lack awareness of the different community groups and their varying capacities and vulnerabilities in disasters[31]. AIFDR-2 participatory mapping and disaster scenario tools provide an opportunity for local governments to begin dialogue around gender equality and social inclusion issues. The AIFDR-2 capacity development program at the sub-national level will integrate learning around gender equality and social inclusion, while technical assistance at the national level will seek to promote gender equality and social inclusion in policy formulation.

Focusing on excluded groups alone is insufficient to bring about system and behaviour change to support more inclusive DRM practice. Understanding vulnerability requires analysing both the processes (economic, social and political) and the people that contribute to the exclusion of particular groups from crucial DRM processes. This helps identify who are most at risk, the likely impacts of a disaster for these groups and possible entry points for change[32]. This will be tested through the community resilience component of the DRM-CREATE program through local political economy analysis tools that will be utilised by partners at the community level and at the sub-

27 Tearfund 2005; AusAID 2009b, *Investing in a Safer Future*; Yodmani, S 2001, Chapter 13.

28 Shatifan 2013.

29 Including fetching water, finding food, caring for children, those with disabilities and elderly people in difficult circumstances and reduced livelihood opportunities.

30 World Bank 2008, *Policy Note No.24.*

31 Shatifan 2013.

32 Ibid p.8.

national government level to include local analysis around knowledge and practice of gender equality and social inclusion.

AIFDR-2 will continue to advocate and help facilitate the participation of the marginalised and give vulnerable groups a voice. When people are not included as active stakeholders with a voice in planning and implementation nor as recipients of support to meet their specific DRM needs, interventions are more likely to treat the needs and preferences of men and/or the elite. This then becomes the standard for service delivery[33].

4. Rationale for Investment

Partnership with Indonesia on disaster management is key to supporting a safer, more prosperous, united and democratic neighbour. Australia was the largest contributor to Indonesia following the tragic Indian Ocean Tsunami pledging a $1 billion package of support. The Australian public followed in kind, donating almost $250 million for the response, recovery and reconstruction in Aceh. Within Indonesia the experience of the Indian Ocean Tsunami, which holds its 10th commemoration in December 2014, led to a paradigm shift in DRM with a new focus on disaster preparedness, disaster risk reduction and sustainable development, instead of a fixation on response. The first phase of AIFDR signalled the continued strong relationship between Australia and Indonesia in the disaster management sector, and a commitment by Australia to work together on these important new preparedness and risk reduction efforts.

After five years of partnership in DRM, Australia has witnessed the growing confidence and competence of the national disaster management agency BNPB. However, independent analysis undertaken as part of the AIFDR-2 design process has pointed to large capacity gaps at the sub-national level where new provincial and district disaster management agencies (BPBD) are lacking resources and skills. Under this scenario, communities emerge at higher risk to disasters. The Philippines Typhoon Haiyan in 2013 reminded DRM stakeholders of the continued need to develop local government disaster management systems and improve understanding and capacity at the community level. Typhoon Haiyan was also a stark reminder of the need for strong bilateral relationships between Australia and high-risk countries in the Indo-Pacific region.

Under AIFDR-2, Australia will continue to provide its comparative advantage in combining science and technical solutions with capacity development and community resilience initiatives. Based on the learning of the first phase of AIFDR, Australia will work with Indonesia on developing robust training systems to build GoI technical capacity at the sub-national level, while engaging civil society to assist in strengthening local, context-specific policy and regulations, and provide innovative solutions to community engagement with local government. Importantly, the humanitarian imperative forms the basis of disaster preparedness and risk reduction work. History has shown that mega-disasters can overwhelm a country's ability to manage response and recovery. During these extraordinary times, strong bilateral partnership enables swift humanitarian response.

Disaster risk management is cost effective. UNDP's Act Now, Save Later campaign highlights that US$1 invested into disaster preparedness saves up to US$7 in recovery. Preparedness for response and recovery and investment in community resilience pays dividends. At $70 million over five years, AIFDR-2 emerges as a highly cost-effective investment. Maintaining the same budget as AIFDR-1, the sub-national approach to the new initiative vastly increases the potential impact of the investment. At the direct beneficiary level, reaching an estimated 1 million people in pilot villages, the AIFDR-2 investment equates to $70 per person over the life of the investment, or around $14 per person each year. With an estimated 9 million indirect beneficiaries at the target district level, this investment potentially reduces to around $1.50 per person per year.

33 Ibid p.7.

The improvement of DRM policy at the provincial and district levels coupled with improved DRM technical skills, planning and budgeting, is likely to result in much broader impact. Linking community resilience measures to local government, by trialling, testing and implementing BNPB's national Village Resilience policy, will also provide BNPB and local BPBD with cost-effective models for replication which will lead to expanded impact.

While the first phase of AIFDR sought to support the establishment of Indonesia's DRM architecture at the national level, it is now timely to shift focus to supporting the development of DRM good practice models and linkages at the sub-national level. This is in line with the GoI strategic approach and will enable alignment with the DFAT Development Cooperation program by working in similar geographic areas and integrating DRM into local government and village level processes, particularly with the emerging Indonesian Village Law which will see direct village funding for community development and empowerment. This AIFDR-2 strategy will seek to both influence and improve national policy through an evidence-based approach, while leveraging sub-national government budgets, and other key stakeholders including the private sector, for greater investment into disaster preparedness, resilience and mitigation. Supporting a rights-based perspective on DRM will give greater emphasis to ensuring the capacities and vulnerabilities of excluded groups, particularly women, are accommodated to prevent loss of life and livelihood when future disasters occur.

4.1 Building on AIFDR-1 Investments, Achievements and Lessons

AIFDR-1 was launched just one year after the inauguration of Indonesia's first national disaster management agency (BNPB), therefore national level support has been the key focus of the first phase. BNPB has evolved quite rapidly as a national agency and has successfully managed a number of medium sized disasters. The agency has taken a more proactive role in disaster preparedness work, and this has been recognised through Presidential support for the Master Plan for Reducing Tsunami Risk and funding for BNPB to build a national training centre within the grounds of the National Peace and Security Centre in Sentul, West Java.

The challenges currently facing BNPB are the need for robust policy to strengthen the national disaster management system, and the need to develop nationally-accredited DRM training to fulfil the agency's mandate to build the capacity of new disaster management agencies at the sub-national level (BPBD). A rapid organisational assessment and a political economy analysis conducted as part of the AIFDR-2 design process identified capacity at the sub-national level as the key challenge for the future professionalization of Indonesia's DRM sector. As the closest governance level to the community, local BPBD are responsible for the protection and safety of citizens through the coordination and command of disaster response and the identification of disaster mitigation efforts that help protect communities.

Therefore, the work of AIFDR-1 has identified the following fundamental constraints:

1) Weak sub-national DRM structures with low capacity to interpret national policy, develop sub-national regulations and deliver DRM services;
2) An overall lack of community awareness on how to deal with disasters or knowledge of how to include DRM in their village planning.

AIFDR-1, through its support of community-based disaster risk management (CBDRM) programs, has identified the important role played by civil society organisations in driving change in the DRM sector. This can include assisting communities to be aware of their disaster risks and to plan accordingly, as well as playing a key role in building the DRM skills of local BPBD staff. CSOs have assisted in trialling government policy, and have worked on improving local regulations and advocating for greater local investment into disaster preparedness. The strong AIFDR-1 bilateral partnership has allowed AIFDR-1 staff to engage with policy makers within BNPB and present

success cases from district government and community engagement. This has been an important strategy in strengthening national DRM policy.

AIFDR-1 has also learned that communities in Indonesia need to focus first on disaster preparedness. Programs designed to implement improved risk reduction measures, including the build-back-better and safe housing program in Padang, West Sumatra, were not successful in achieving the desired outcomes. AIFDR-1 learned that earthquake-affected communities had too many competing priorities, including livelihoods and children's education, to consider investing in earthquake safe housing. As a result, and particularly given the low capacity at the sub-national level, AIFDR-2 will focus on disaster response preparedness as a key entry point, while identifying important areas for integrating DRM through interventions such as school preparedness and livelihood approaches.

The DRM sector is quickly evolving in Indonesia and as a result the contracting model will need to be flexible. This has been one of the advantages of the facility model of AIFDR-1, and is a key consideration of BNPB. The new contracting model of AIFDR-2 will remain flexible, particularly through the science component, while the addition of targeted grants will allow DFAT and the managing contractor to agree with BNPB on key strategic areas for partnership. The contracting model should also allow for changes to End-of-Investment Outcomes or activities depending on the context of the demonstration provinces and districts. This will be particularly important to ensure alignment with the new Indonesian Village Law and synergies with the broader DFAT aid program.

Finally, while AIFDR-1 has been very successful in building a strong partnership with BNPB it has engaged less frequently with other key agencies including Bappenas, Minister of Home Affairs, the Coordinating Ministry for People's Welfare and Public Works. The new program governance arrangements will enable greater interactions between these other key government stakeholders.

Along with targeted analysis, AIFDR-2 has also been informed by a range of individual program evaluations including:

- The AIFDR-1 mid-term independent progress report (IPR);
- Capacity Development Support Program (CDSP) evaluations;
- The independent progress report on the AIFDR-1 earthquake hazard program;
- The DFAT-OCHA Strategic Partnership Review;
- Evaluations of community and local government support programs including Oxfam's Building and Strengthening Resilience in Eastern Indonesia, the Australian Red Cross and Indonesian Red Cross-implemented Strengthened Disaster Coordination in Eastern Indonesia program, and Nahdlatul Ulama's institutional strengthening program for district BPBD in East Java;
- Other important evaluations have included the build back better campaign and program in West Sumatra, an independent review of UNDP's Safer Communities through Disaster Risk Reduction program, and assessments of research and innovation small grants initiatives that have engaged in a range of cross-cutting DRM issues such as gender, disability, livelihoods and climate change adaptation.

A summary of key lessons from AIFDR-1, as they relate to the current design, is presented in Table 1. **A full description can be found at *Annex 1.3*.**

Lesson	Analysis
Disaster preparedness is a priority for Indonesia	Analysis conducted as part of the design process identified that at the provincial and district levels where BPBD have been recently established, preparedness for response is the main focus and a viable entry point for GoI capacity building initiatives at the sub-national level under AIFDR-2.
Gender equality supports resilience	Without support and appropriate intervention, disasters tend to entrench inequality and lead to new manifestations of inequality (e.g. early marriage or trafficking in women where this may not have been a concern

	before the disaster; spikes in domestic and sexual violence which can incapacitate and exclude women and exacerbate inequality).
Science needs to be put into the hands of decision-makers	The AIFDR-1 science program has worked with key Indonesian science agencies such as *Badan Geologi* to supply the knowledge and data for use by BNPB and sub-national disaster managers in practical planning. The enabling environment for the constructive use of this data has come through the development of low-tech, high functionality tools such as InaSAFE and OpenStreetMap (OSM)
The selection of the right partners results in maximum leverage at the sub-national level	As a bilateral partnership, AIFDR-1 has involved BNPB in all decisions concerning implementing partners. This has helped AIFDR understand the political economy, and the types of government-civil society organisation partnerships or interactions which provide the best possible outcome for a given context. AIFDR-1 has worked either directly or indirectly with around 50 CSOs.
National and sub-national disaster management agencies need Indonesian in-line technical support to assist with policy and practice priorities	National consultants understand local context, quickly gain the trust of their government counterparts, and are better able to identify and trouble-shoot potential tensions.
Linking communities and local government results in improved DRM service delivery and better prepared villages	As the sub-national DRM sector evolves, the facilitation of local CSOs is important to bridge the links between community and local government. CSO involvement for local DRM planning will also be important under the new Indonesian Village Law.
The private sector is an emerging partner in DRM	The private sector has been identified by BNPB, and more generally at a global level, as a key partner in building the resilience of communities. To date, the private sector has been most active in the disaster response space and is able to quickly and effectively raise money for response, recovery and rehabilitation.
The DRM space in Indonesia remains fluid and changeable	The lessons from AIFDR-1 have shown there is a need for flexibility in programming. As a new sector, BNPB and BPBD are often drawn into new and emerging DRM priorities.

Table 1: Lessons from AIFDR-1

4.2 Building on the Investments, Achievements and Lessons from the Broader DFAT Development Cooperation Program in Indonesia

This design has also drawn on lessons from other Australian Government programs in Indonesia in order to understand how best to support community resilience and local government DRM service delivery. The Australian Government has been actively programming in the decentralisation environment in Indonesia for more than a decade, and a review of independent assessments of key programs such as Australian Community Development and Civil Society Strengthening Scheme (ACCESS), Local Governance Innovations for Communities in Aceh (LOGICA-2), the Australia Nusa Tenggara Assistance for Regional Autonomy (ANTARA) program and the Australia Indonesia Partnership for Decentralisation (AIPD) has pointed to the need to engage all levels of government – national, provincial and district – for strong outcomes. It is also important to engage with the local parliaments (DPRD) both in terms of issue awareness and capacity development. The assessments and independent progress reports found it is crucial to understand how budget allocations operate at each level of government and to understand the local political economy. They noted the importance of marrying supply and demand activities, by linking communities and local government, to achieve sustainable outcomes.

Based on AIFDR inter-program partnerships and discussions with other DFAT program teams in Indonesia, there are a number of natural areas of collaboration.

- With a strong focus on the sub-national level and strengthening CSOs' role in integrating DRM into local village planning through the Indonesian Village Law, AIFDR-2 will seek linkages with PNPM, including the support facility (PSF), and will remain flexible in order to trial new approaches at the community level as the Village Law is rolled out;
- In order to ensure BPBD can benefit from robust public financial management and institutional strengthening interventions, the AIFDR-2 contracting arrangements will mandate the requirement to work in partnership with the new Australia-Indonesia Partnership for Decentralisation (AIPD-2). AIFDR-1 has already partnered with AIPD in East Java to combine institutional and technical capacity development. The pilot initiative, at provincial level and four districts, has been successful in ensuring DRM is included in the province's medium term development plan (2014-19). This collaborative program will be assessed against the increase in budget for DRM at the provincial and pilot district level;
- There is significant potential for AIFDR-2 to engage with the National NGO Study & Service Centre for Poverty Reduction (NSSC - currently under design) to provide capacity building and institutional strengthening to AIFDR-2 civil society partners. Likewise, AIFDR-2 will assist this facility by providing DRM training more broadly;
- There is potential to include DRM as a key focus area in future DFAT CSO facilitation training packages;
- One specific area of collaboration will be building on the lessons and successes of the community-based OSM participatory mapping partnerships achieved with ACCESS and other sub-national focussed programs such as LOGICA2 to link local data collection with the national data set;
- Working together with the Rural Development team on identifying linkages to livelihoods and resilience. In common geographical areas, this could include linking DRM livelihood approaches with rural development activities with particular focus on flood risk and disaster-proofing crops for greater production;
- Considering the focus on gender and social inclusion, AIFDR-2 will seek to integrate with the MAMPU and PNPM Peduli programs to identify effective and proven approaches to reaching vulnerable groups and to recognise women's agency and leadership in resilience. The AIFDR-2 Community Resilience Innovation Fund (CREATIF) will provide opportunities for CSOs supported under the MAMPU program to consider gender and social inclusion approaches to community resilience in AIFDR-2 target provinces;
- In accordance with its strong focus on knowledge-to-policy, AIFDR-2 will identify opportunities for working with Knowledge Sector Initiative expertise to advise on policy research and analysis to ensure national and local DRR regulations are informed by a strong evidence base;
- Work together with Frontline priority sectors on mainstreaming DRM into service delivery. In practical terms this will happen through multi-sector disaster contingency planning in AIFDR-2 demonstration provinces and target districts. In common geographic areas AIFDR-2 can work with health and education sectors on issues around continuity of service during crisis situations, stockpiling of essential items in key hazard areas, and ensuring disaster-resistant construction of infrastructure (schools and health clinics).

A more detailed plan for building on and forging these linkages will be developed by DFAT and the successful DRM-CREATE implementing partner at the start of implementation. Building, identifying and improving these linkages will be a continuous part of the AIFDR-2 implementation strategy, and will be integrated into annual planning processes. Indicators for collaborative outcomes will be included in the overall monitoring and evaluation framework. Establishing opportunities for the mutual sharing of information and lessons will be reflected in the AIFDR-2 Knowledge-to-Policy Strategy.

4.3 Alignment with Australian and Indonesian Government Priorities

DRM aligns with Australian Government priorities. Australia is committed to a more stable, prosperous and secure Indonesia. Bilateral partnership in DRM helps to achieve this. Saving lives through better preparedness for, and response to, disasters and humanitarian crises is one of the strategic goals of Australia's aid program[34] and *'Building Resilience: humanitarian assistance, disaster risk reduction and social protection'* represents one of six priority areas of the Australian Government's development policy. DFAT's Disaster Risk Reduction Policy[35] broadens the humanitarian priority, by aiming to reduce vulnerability and enhance the resilience of countries and communities to natural disasters. It further establishes gender sensitivity and specific attention for people with disabilities as operational principles. The focus on disaster preparedness and resilience in the Indo-Pacific region is of particular importance to Australia. Indonesia, as one of Australia's closest neighbours and an important bilateral partner, is a priority within this Indo-Pacific focus.

DRM aligns with GoI priorities. DRM has been identified as one of the top 11 priorities in the GoI's Medium Term Development Plan (RPJMN 2010-2014)[36], and has a high level of stewardship and oversight by the Indonesian President. Law 24/2007 on Disaster Management mandates GoI to protect all citizens from the effects of disasters. Coupled with the National Disaster Management Plan (NDMP) and National Action Plan for DRR (NAP-DRR), the law establishes a policy framework that marks a shift away from the traditional focus on disaster response, to a more comprehensive focus which includes prevention, mitigation and preparedness[37], and a rights-based approach that ensures that the most vulnerable are included in DRM planning[38]. AIFDR-2 aligns with the Yogyakarta Declaration endorsed by government heads, ministers and country delegation heads at the Fifth Asian Ministerial Conference on Disaster Risk Reduction in 2012[39]. The Yogyakarta Declaration calls for the integration of DRR and climate change adaptation into national development planning; strengthened local risk governance; improved community resilience; and a focus on socio-economic vulnerability, gender, disability and cultural diversity.

4.4 The Current Donor Space

Australia, with its initial investment of $67 million through phase one of AIFDR, has been the leading bilateral grant donor in the DRM sector. Investing in DRM provides a competitive advantage, where Australia's skill, expertise and commitment are highly valued. The strong partnership between GoA/AIFDR and GoI/BNPB has strengthened the broader bilateral relationship and has helped consolidate Australia's position as a valued friend when disasters strike.

While a number of donors invest in DRM in Indonesia, the space is relatively uncluttered. There are no large scale programs working on DRM service delivery at the sub-national level. However, programs including the now-completed PROTECTS, a local community tsunami preparedness program implemented by GIZ in a number of provinces, and the Comprehensive DRM Measures program implemented by JICA in partnership with a number of district BPBDs in North Sulawesi and NTB provinces, have been well received by BNPB. Other donors have expressed interest in harmonising their programs with the new AIFDR-2 including the New Zealand Aid Programme which is designing a disaster risk reduction initiative in up to 10 districts.

AIFDR-1 has worked collaboratively with a number of donors. AIFDR-1 also adopted successful programs previously supported by European Commission Humanitarian Office (ECHO), while AIFDR-1

34 AusAID 2011b.

35 AusAID 2009b.

36 Republik Indonesia 2010c, *Rencana Pembangunan Jangka Menengah Nasional (National Mid Term Development Plan) 2010-2014*.

37 Willits-King, B 2009, *The role of the affected state in humanitarian action*; Pellini 2012.

38 Republik Indonesia 2010a, *Rencana Nasional Penanggulangan Bencana (National Mid Term Development Plan) 2010-2014.*

39 The full declaration can be found at BNPB 2012, Yogyakarta Declaration. BNPB website.

and ECHO jointly funded the Oxfam Building and Deepening Resilience in Eastern Indonesia program. The New Zealand Aid Programme has approached Australia to assist with its national response framework program in Indonesia, and GIZ has adopted participatory mapping techniques piloted by AIFDR-1. USAID/OFDA is launching a two-year US$5 million technical capacity building program for BPBD in six provinces in late 2014. This program builds on the AIFDR-1 approach to embed specialists within the provincial agencies and will utilise the national training curricula developed by BNPB in partnership with AIFDR.

It will be incumbent upon the AIFDR-2 team to explore opportunities for linking with other donor programs. Improved donor coordination will assist in identifying where AIFDR-2 can leverage from other initiatives or where AIFDR-2 activities can value-add in areas where other donor programs are being implemented. Australia currently takes the lead role in informal coordination among donors in the humanitarian space. *Annex 1.4* provides an overview of the activities of other donors in Indonesia.

4.5 Strategic Opportunities for Australia

Given the strong rationale for working in the DRM sector in Indonesia, including Indonesia's disaster profile, its emerging DRM architecture and Australia's strong comparative advantage in bringing specialised DRM skills, expertise and broader understanding of the Indonesian decentralisation environment, a number of key strategic opportunities have been identified for Australian investment. The adoption of investment choices for AIFDR-2 is based on the strategic opportunities available to Australia that are in line with BNPB priorities. The main criterion for determining engagement includes:

- The potential for the investment to reduce the impact of disasters on the population, particularly the vulnerable – specifically saving lives and reducing economic loss;
- Current policy and implementation priorities of the GoI and GoA;
- The absorptive capacity of key stakeholders;
- Where Australia can add value and build on achievements and lessons of AIFDR-1 and the broader DFAT program in Indonesia;
- Where others are working effectively;
- Evidence from international literature on good DRM practice; and
- The resources available to AIFDR-2.

The strategic approaches and opportunities for investment in DRM in Indonesia are:

- Investing initially in disaster preparedness at the sub-national level in four provinces and up to 20 districts, building off relationships formed under phase one of AIFDR and leveraging other DFAT programs;
- Investing in Community Resilience through competitive and targeted grants. This includes facilitating interactions between local communities and local government, the development of CSO engagement in networks and forums, the facilitation of CSO in assisting to build the capacity of local disaster preparedness and response systems; trialing national resilience programs; and leveraging local planning through the emerging Indonesian Village Law;
- Investing in rights-based, inclusive approaches that seek to put government policy into practice;
- Investing in improved GoI response and recovery service delivery through engagement with the national preparedness systems and continued modest investment into the international and regional architecture to support Indonesia;
- Investing in science to support evidence-based decision-making at national and sub-national levels.

Each of these points is explored at length in *Annex 1.2*. This analysis provides a summary of the core achievements and lessons, including failures, from initiatives supported by AIFDR-1.

Disaster preparedness at the community level saves lives

Australian Aid

BNPB

AUSTRALIA–INDONESIA
FACILITY FOR
DISASTER REDUCTION

PART 2 - INVESTMENT DESCRIPTION AND MANAGEMENT ARRANGEMENTS

AIFDR-2 DESIGN DOCUMENT

5. Investment Description

5.1 Theory of Change

AIFDR-2 will demonstrate improved DRM systems and practice at the sub-national level and link this to national DRM policy and technical support initiatives. In line with the DRM priorities of GoI, AIFDR-2 will build the professionalism and credibility of district and provincial BPBD, while testing innovative approaches to community resilience that seek to link the needs of vulnerable communities to local government DRM service delivery and leverage changing local governance as the new Indonesian Village Law is implemented. Through a knowledge-to-policy strategy, AIFDR-2 will utilise lessons, learning and best practice to leverage improved delivery of DRM services at the local level (through greater local investment into disaster preparedness and community resilience) and assist the establishment of a robust national policy framework for effective DRM service delivery (through targeted policy support, national training product and hazard science). Demonstrating impact in four target provinces, up to 20 districts and up to 200 villages[40] will therefore result in local and national replication and will leverage Indonesia's investment into DRM to achieve sustainable outcomes that will save lives and reduce the economic impact of natural disasters.

AIFDR-2 strives for integrated change at three levels based on the theory that:

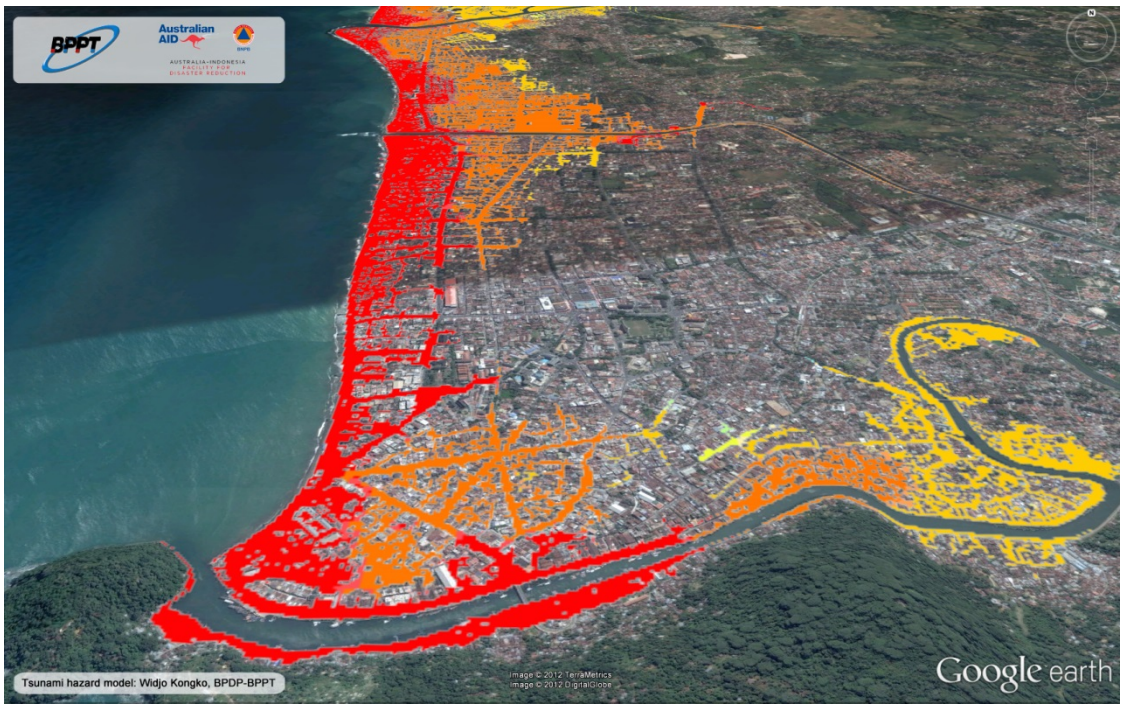
1. If sub-national disaster management agencies (BPBD) are technically competent and credible they will be better equipped to provide relevant and appropriate DRM services to communities. The first measure of credibility for BPBDs will be the ability to ensure effective, timely and coordinated preparedness for response activities. As BPBD credibility improves and evolves, the agencies will begin to take a greater lead in local disaster resilience and mitigation measures. Improved BPBD organisational capacity, supported by best-practice science and risk and hazard evidence, will assist in planning, budgeting and program implementation. The BPBDs need to be seen as credible and professional agents for DRM if they are to attract appropriate funding from local government or other sources.
2. If communities are empowered, and understand their capacities and vulnerabilities, they will be able to identify, prepare for and mitigate their natural disaster risks, work together with government, non-government and private sector stakeholders, and advocate for quality DRM service delivery from local government in line with local needs. These needs may be linked to basic disaster preparedness or involve local resilience and mitigation requirements. There is a need to build the capacity of local CSOs to play a key role in the development of local DRM systems. Rather than focusing on disaster preparedness projects, CSOs will be encouraged to integrate disaster preparedness and disaster risk reduction into existing community driven development programs and trial simple and cost-effective disaster preparedness and resilience approaches that can be replicated by local government.
3. The results from the AIFDR-2 demonstrations and approaches will feed back into the national level supporting improved evidence-based DRM policy, the development, review and implementation of national DRM training materials, robust science products and accessible technologies that will leverage more effective national DRM leadership.

Direct partners in the theory of change include BNPB and national DRM stakeholders, BPBD and sub-national DRM stakeholders, civil society and the private sector, and communities. Key to achieving top-down and bottom-up change is linking all these actors through practice and local forums or interactions, thereby creating an enabling environment for change. It will also be important to

40 District and village numbers here are indicative and based on the experience of programs supported by AIFDR-1 with a similar funding envelope. Increases of decreases in scope will be addressed in a flexible way through annual planning processes. The key is not the quantity of districts and villages supported, but the quality of outcomes including replication and scale-up of approaches.

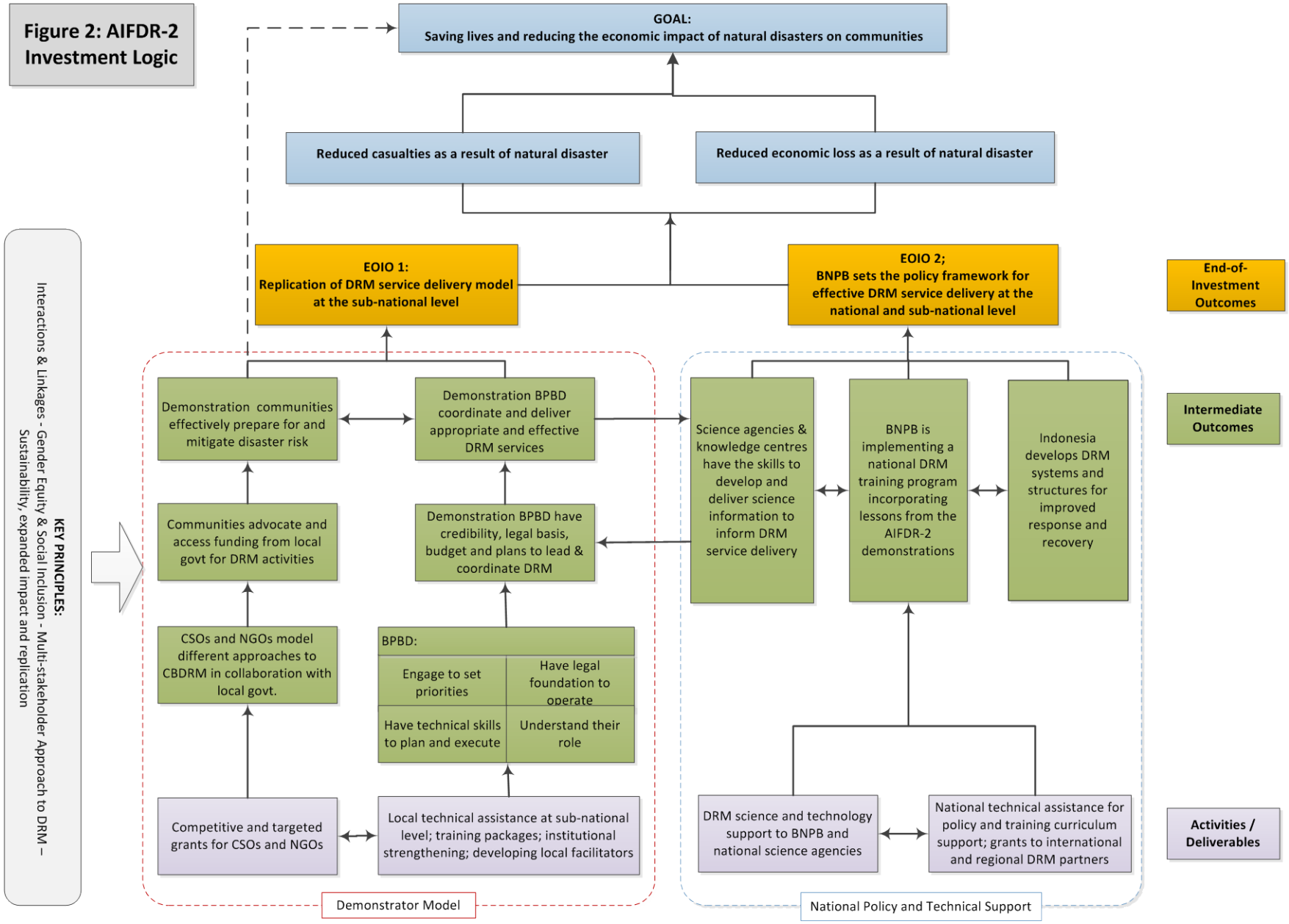
ensure that DRM links to other DFAT Development Cooperation activities for improved frontline service delivery outcomes and integration of DRM.

Figure 2: AIFDR-2 Investment Logic Diagram outlines the Goal, End-of-Investment Outcomes, Intermediate Outcomes, and Indicative Activities.



Example of a tsunami inundation map that helps disaster managers better plan and prepare (above) and disaster response scenario (below)

Figure 2: AIFDR-2 Investment Logic



5.2 Goal and End-of-Investment Outcomes

The overarching goal of AIFDR-2 is to *save lives and reduce the economic impact of disasters on communities.*

This high level goal is underpinned by two strategic hypotheses:

a) Disaster preparedness reduces casualties as a result of sudden onset natural disasters;

b) Disaster resilience reduces economic loss as a result of persistent and everyday natural disasters.

AIFDR-2 is designed around performance and enabling End-of-Investment Outcomes (EOIOs). The performance-related EOIO 1 is concerned with the replication of outcomes at the local level in up to 200 villages across 20 districts in the four demonstration provinces. EOIO 1 aims to replicate improved performance of communities, civil society organisations and local government to more effectively prepare for and mitigate the impacts of disasters.

EOIO 2 is concerned with outcomes that address the environment that enables local level success. BNPB, national science agencies and knowledge centres and will work together to provide the enabling environment to support effective, evidence-based service delivery at the local level. Integrating DRM into local governance and linking national DRM policy to village community development initiatives, particularly through the Indonesian Village Law, will also be crucial for enabling local success

Partnerships, interactions and networking are important features of AIFDR-2 and underpin both EOIOs. Government and non-state stakeholders, including the private sector, will interact at various levels. These interactions need to be envisioned as a series of interlinking circles or spheres of influence rather than linear and hierarchical connections.

There are five types of linkages or interactions that should be operating by the end of the investment:

- **Between citizens (communities) and local government:** to achieve sustainable community resilience.
- **Between government and civil society organisations:** formal and informal interactions at national and sub-national levels to create arenas for action on specific issues.
- **Between different civil society and private sector stakeholders:** local networks through to national advocacy networks that work together to achieve effectiveness, efficiency and to draw more resources and funding to a single issue or range of issues.
- **Between district, provincial and national governments:** to achieve a coherent response among service delivery actors, intermediaries and enablers and to provide clear policy direction for the integration of DRM into national and local government planning.
- **Between national government and international and regional stakeholders:** to ensure external systems align with Indonesian needs and priorities and to enable Indonesia to promote partnership successes to external audiences.

The following section describes the intended EOIOs and provides a number of intermediate outcomes required to bring about change - ***what the investment is expected to do***.

a) End-of-Investment Outcome 1: Replication of DRM service delivery model at the sub-national level

The achievement of this end-of-investment outcome requires the demonstration of improved community empowerment through the engagement of CSOs either facilitating interaction between communities and local government, or trialling simple and cost-effective models for improved preparedness and/or resilience; and improved service delivery performance of district and provincial level BPBDs, including their capacity to interact with communities, civil society, other government agencies and the private sector. Clear criteria will underpin CSO interactions with community and local governments to ensure context-specific and cost-effective replication opportunities for DRM and disaster risk reduction activities. CSOs will be expected to pilot BNPB's national Resilient Villages indicators in order to test and improve national policy, and ensure that it includes a specific focus on the most vulnerable.

Capacity development of sub-national BPBD will be undertaken in partnership with BNPB in order to test and trial national disaster management training curricula. This technical skills training will be replicated by BNPB through its national DRM training centre and training will be nationally accredited. At the sub-national level, AIFDR-2 will demonstrate provincial lead on the development of DRM systems and district BPBD capacity. In target districts, AIFDR-2 will institutionalise DRM and seek expanded impact through increased local DRM funding for sustained disaster preparedness and mitigation activities.

Community-to-Local Government: Effective preparedness for, and mitigation of, disasters requires a process of sustainable community development whereby communities understand their own risks, realise their collective level of responsibility as first responders, advocate for DRM service delivery and integrate DRM into their own village-based development plans. Communities must engage in forums, interactions and dialogue spaces with local government to enable improved delivery of DRM services.

This form of community participation strengthens the demand side of DRM service delivery and enables communities to identify and advocate for their disaster risk reduction needs. The emerging Indonesian Village Law provides an opportunity for communities to highlight these needs by integrating DRM into local village development plans. CSOs have been identified as a key partner in this process with the ability to facilitate change at the community level and to bridge community needs, including the specific needs of certain groups and individuals in the community, with the local government. CSOs also play a crucial role in linking communities to other DRM stakeholders, including the private sector and the media.

Local Government-to-Community: Local BPBDs require the technical skills to effectively coordinate and deliver appropriate and professional DRM services. An increase in technical skills will result in improved credibility for the new disaster management agencies. AIFDR-2 will assist in the design and delivery of technical skills training with a focus on better preparedness and coordination of disaster response and recovery. This will include basic DRM, response and contingency planning and preparing and implementing disaster response simulations. These basic skills will be further augmented by specific training in the use of scenario-building tools (such as InaSAFE) and coordination and implementation of local spatial mapping and data collection.

All training will be linked to BNPB's Training and Education Unit and the trial and development of practical training modules will be used to populate curricula offered at BNPB's national training centre in Sentul, West Java. The training will be competency and incentive based and will provide credit for promotion through national professional competency certification. Understanding basic DRM architecture, technical training and use of technologies such as InaSAFE will be important foundations for building the credibility of new local disaster management agencies and will enable BPBD to more proactively coordinate other local agencies and departments.

AIFDR-2 will address the organisational capacity and motivations to perform well. Institutional and organisational support will include the development of risk assessments, local DRM regulations, and planning and regulatory instruments. This is important for local BPBD to leverage program funding from local government budgets. AIFDR-2 will link with other DFAT initiatives, particularly the Australia-Indonesia Partnership for Decentralisation, to build BPBD capacity in public financial management, budgeting, organisational planning and the development of local regulations and policy.

Deliverables: This end-of-investment outcome will be achieved through competitive and targeted grants for CSO and NGOs, and local technical assistance at the sub-national level combining DRM training packages, institutional strengthening and the development of local facilitators to ensure sustainability and create learning through a demonstrator approach that influences national policy and practice.

b) End-of-Investment Outcome 2: BNPB provides the policy framework required for effective DRM service delivery at the sub-national and national level

In order to support development of BPBD at the local level, a robust national policy framework is required. Each of the BNPB divisions needs to contribute to the development of appropriate content for the policy framework covering emergency response, preparedness and prevention, rehabilitation and reconstruction, and logistics. The required framework includes new policy, technical guidelines, Standard Operating Procedures (SOPs), and the development of relevant regulations including lead on the mainstreaming of disaster risk reduction.

AIFDR-2's focus will be on policy and guidelines underpinning national standard DRM training, data collection and information technology policy (including improved national hazard product), SOPs and guidelines relating to emergency operations centres (EOCs), response and recovery preparedness. While BNPB leads on the policy framework, multiple stakeholders are involved in the process. National and local DRR platforms, forums, universities and the private sector help shape policy dialogue and create an enabling environment. The demonstrator model used for EOIO 1 will ensure that best practice and learning from the sub-national level influences national policy.

The focus is not only on content, but the capacity of BNPB to work through the full policy process effectively and apply those skills to new content areas. By the end of AIFDR-2, BNPB divisions will be performing effectively in several areas of the policy process[41]:

- Establishing national DRM policy agendas including the implementation of a national DRM training program;
- Formulating and adopting policy that is informed by evidence (generated from good-quality and systematic BNPB performance evaluations; evidence generated by science organisations; AIFDR-2 demonstrations; and other domestic and international sources);
- Generating policy, resource allocations and associated organisational arrangements for service delivery that promotes social inclusion (based on learning from the social inclusion approaches integrated into AIFDR-2 CBDRM programs);
- Monitoring and evaluation of key aspects of policy implementation.

BNPB will also review existing guidelines, regulations, and SOPs to ensure compatibility and continue to develop and institutionalise new, evidence-based policy.

EOIO 2 is primarily about further strengthening the coordination role of BNPB as the national agency for disaster management. It will be achieved through helping to define high-level inter-ministerial as

41 This list is to aid communication - the policy process is not considered linear.

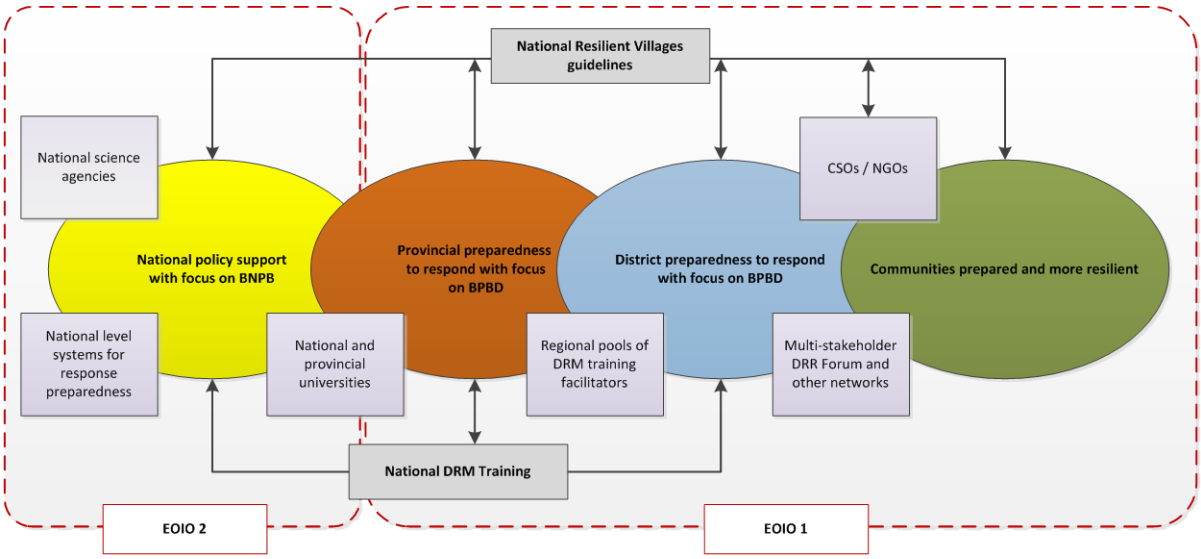
well as national-to-local coordination mechanisms, establishing preparedness systems, and better leveraging of available resources for improved service delivery to Indonesian communities.

EOIO 2 also includes the AIFDR-2 investment into hazard science as this underpins good DRM policy and practice. It will be important to facilitate interactions between national science agencies and BNPB to ensure that the national agency is demanding the appropriate science product to assist in DRM planning and decision-making. This will become more important as BNPB develops its role as the national disaster warning centre. Therefore, the key to the AIFDR-2 science investment is building an evidence base to inform both national policy making and DRM decision making and to assist local governments at the provincial and district level to deliver effective DRM services. For them to perform, the right enabling environment needs to exist. Good performance will require all levels of government working together.

At the same time, linkages with the broader international and regional DRM architecture need to be maintained to ensure that Indonesia's national preparedness systems are consistent with and influence global trends. This includes national implementation of the Hyogo Framework for Action - 2 and developing an Indonesian national response framework to enable and strengthen national preparedness. AIFDR-2 will support BNPB and Indonesia to share its valuable experience and contribute to the HFA-2 dialogue and regional DRM initiatives.

Deliverables: EOIO 2 will be achieved through DRM science and technology support to BNPB and national science agencies, as well as technical assistance for national policy and training development. International and regional links will be maintained through grants to partners.

Figure 3: Interaction between AIFDR-2 End-of-Investment Outcomes



5.3 Key AIFDR-2 Investment Implementation Principles

In order to achieve the 2 interdependent EOIOs, the following key investment principles will guide all AIFDR-2 interventions:

Forums, interactions and linkages

Interactions between stakeholders will be crucial for investment outcomes. These interactions and linkages will occur vertically at local up to national, regional and international level, horizontally across ministerial and non-government stakeholders, and importantly, within the DFAT Development Cooperation program in Indonesia. This will include formal multi-stakeholder fora such

as the Local DRR Forum, or less formal interactions such as emerging networks, learning platforms, workshops and seminars etc. The principle of interaction and linkages should underpin all activities and key indicators for these linkages will be included in the AIFDR-2's monitoring and evaluation system. DRR fora already exist or are emerging at the provincial and district levels. Membership of these multi-stakeholder groups includes local government, civil society organisations, local media and the private sector.

AIFDR-2 is not designed to be implemented as a stand-alone program, but instead will actively seek partnership with GoI initiatives, DFAT programs and approaches, and other donor interventions. Criteria will be put into place to ensure that AIFDR-2 partners adopt flexible programming approaches that will enable opportunities to be leveraged. The emergence of the Indonesian Village Law and changes in local-level governance is one important area with which AIFDR-2 must engage. The Village Law provides opportunities for mainstreaming disaster preparedness and disaster risk reduction at the community level. Similarly, AIFDR-2 initiatives will need to support frontline outcomes for improved service delivery.

Lessons from AIFDR-2 practice will be shared with other donors to ensure collaboration and alignment with GoI priorities. This will include working closely with the USAID/OFDA sub-national DRM training program which will be implemented in provinces outside of AIFDR-2 demonstration provinces.

Gender equality and social inclusion

The AIFDR-2 design recognises that communities are not homogenous entities, but comprise disparate groups and individuals, with different needs, priorities and perspectives. Individuals and groups within communities often have more control over resources and greater voice in decision making while others are more often marginalised. For example, women are more likely to die in disasters, to be responsible for the bulk of care and a great deal of reconstruction work, but have the least voice in decision-making during disaster recovery. Traditional gender norms which can exacerbate women's vulnerability and exclusion are common at the community level, but the application of these norms is likely to vary between communities. People with disabilities are also often excluded and marginalised in community planning, but they have very particular needs in disaster preparation, mitigation and recovery.

Effective leadership of these individuals and groups will be important for development of resilience and this will be an essential part of the AIFDR-2 approach at both policy and practice levels. Key to the AIFDR-2's success will be to take active steps to ensure all members of communities, particularly the most disadvantaged, are at the centre of decision-making. Gender equality and social inclusion indicators will be built into the AIFDR-2 monitoring and evaluation system.

Multi-stakeholder approach to disaster risk management

This design recognises and respects that different stakeholders have different views of disaster risk management and it is important to understand that there is no single definition to suit everyone's world view. For example, governments often view natural disasters as large, external events for which planning and response is required. For these reasons, governments invest in early warning systems, preparation for relief operations, and construction of evacuation centres. This design has identified preparedness for response as a key entry point for building the capacity of local disaster management agencies. This capacity development approach, which will focus on DRM technical skills, is also designed to improve the credibility of local disaster management agencies to enable them to better perform their coordination and command functions and to ensure greater local sustainability of DRM services with the support of provincial and district budgets.

For local people, on the other hand, large disaster events are actually quite rare and local people are often more concerned with seasonal or 'everyday' disasters such as floods and drought which constantly impact on their livelihoods and exacerbate poverty. While many have learned to live with everyday disasters and use local coping mechanisms and traditional knowledge to mitigate impacts, these disasters perpetuate the poverty cycle in which they are trapped and at a macro-scale impact on the productivity necessary for sustained economic growth.

The new AIFDR-2 investment will operate under the premise that disaster is everybody's business. AIFDR-2 has been designed to align with the different DRM paradigms by building capacity of government DRM service providers on the one hand and adopting a multi-actor approach to working with communities for increased resilience on the other.

Sustainability, expanded impact and replication

Sustainability, expanded impact and replication are key challenges in any development program. By combining initiatives at the national, sub-national and community levels, it is intended that AIFDR-2 will explore issues of sustainability through policy and practice. In line with AIFDR-2 investment theory, the linkages and interactions between the national, sub-national and community levels will be important for expanded impacts. It is also important to understand that key behaviour change is context-driven and dependent on the environment, the motivation of stakeholders, the emergence of champions and the incentives for interactions and linkages, particularly with groups and individuals who are often marginalised from decision-making.

Strong monitoring and evaluation systems will help to identify change drivers. An integrated knowledge-to-policy strategy will seek to capture useful learning and improved understanding of local context, and adapt this to an emerging evidence-based policy environment. The DFAT team and implementing partners will be responsible for driving this underlying principle and ensuring that quality lessons are learned from practical program delivery.

5.4 Key Assumptions

Expanded impact and replication is premised on a number of key assumptions:

1. **The demonstrator model will be extensive enough to result in expanded impact and replication** – A number of models will be trialled as part of AIFDR-2 in order to test different approaches to expanded impact and replication.

    a. An "end-to-end" model that links national and sub-national DRM policy to communities and creates demand by integrating DRM into local village planning;

    b. A regional technical training model will be demonstrated in West Sumatra;

    c. A provincial preparedness for response model will be demonstrated in South Sulawesi and NTT. (See 1.5 below)

    While the number of communities identified in the design is 200, this number is indicative and based on the scope achieved by similar sized investments under AIFDR-1. Success will not be measured by the number of villages reached, but rather by the extent to which approaches are replicated and the degree to which DRM has been integrated into existing community driven development initiatives and local planning.

2. **CSOs and NGOs will have the capacity to carry out innovative CBDRM and community resilience work through the grants mechanism** – The grants mechanism will be developed with clear criteria and investment themes, and will highlight a number of key entry points. A two-stage, mentored approach will be taken to develop proposals. Linkages with the

upcoming National NGO Study and Service Centre (NSSC) will be explored for capacity development opportunities for AIFDR-2 partners.

3. **Multi-stakeholders will engage in DRM dialogue and interactions –** The inclusion of community, local government and the private sector is a key policy priority of BNPB and AIFDR-1 has assisted with piloting its Public, Private & People Partnership (P4) program in East Java. Experience in current demonstration provinces has shown willingness of private sector to engage in local forum. By strategically funding CSOs and NGOs, AIFDR-2 will ensure that civil society takes a role in emerging DRR forum or integrates DRM into existing multi-stakeholder networks.
4. **Technical assistance provided to sub-national BPBD will link with local NGO and CSO providing a critical feedback loop into local government** – The MC or implementing consortium will be required to build this into the Terms of Reference of the consultants based at the target sub-national BPBD. Part of the consultants' performance will therefore be evaluated against linkages and facilitation outcomes.
5. **AIFDR-2 will link with the broader DFAT Development Cooperation program** - DFAT officers for AIFDR-2 will be responsible for linking approaches and activities to other programs. Partnerships will be imperative with the AIPD program, rural development initiatives, the NSSC, and national community driven development interventions such as PNPM.
6. **BNPB will act upon the learning from the demonstrator model to improve the national policy framework** – AIFDR-1 has worked closely with BNPB and national DRM priorities. Technical assistance embedded into the national agency through the Capacity Development Support Program has assisted in policy development. BNPB champions science and technology approaches to DRM planning (such as InaSAFE) and views national DRM training systems as a key priority, linked to the BNPB National Disaster Response Training Ground.

AIFDR-2 will operate on the premise that DRM contributes to growth, stability and diplomacy. **A diagram outlining the AIFDR-2 Growth, Stability and Diplomacy Model can be found at *Annex 1.5.***

5.5 AIFDR-2 Investment Approach

a) Where AIFDR-2 will work

AIFDR-2 will continue to work at the national and sub-national levels with a focus on disaster management agencies. It is expected that AIFDR-2 will continue to hold a Subsidiary Arrangement with BNPB and will initially partner with the following demonstration provinces: West Sumatra; East Java; East Nusa Tenggara; and South Sulawesi.

The selection of these provinces enables AIFDR-2 to build off existing relationships and adopt a hub approach in order that, over the life of AIFDR-2, the provinces will act as technical focal points for DRM in their respective regions[42]. The four provinces have diverse disaster risk profiles, face high levels of disaster risk including tsunami, earthquake, volcano and/or flood risk and are at varying levels of development in terms of DRM. With a combined population of approximately 55 million, the provinces represent almost a quarter of Indonesia's total population.

In terms of tsunami risk, across the demonstration provinces an estimated 9 million people live within 5km of the coastline. West Sumatra experiences regular major earthquake activity and has a very high risk level for tsunami. It has been a priority focus of both AIFDR-1 and the GoI for DRM since 2009. In terms of human security, the provinces of NTT, South Sulawesi and East Java are

42 West Sumatra for the island of Sumatra; South Sulawesi for the island of Sulawesi; East Java for island of Java; NTT for Eastern Indonesia

ranked in the bottom half of the Indonesian Human Development Index, with poverty levels estimated between 13% and 23%.

Target districts will initially be selected in three provinces – NTT, South Sulawesi and East Java - and it is expected AIFDR-2 will partner will up to 20 districts over the life of the program. In West Sumatra a centralised model will be trialled through the regional DRM Training and Logistics Centre. Criteria for the selection of districts will be based on the guidelines presented in ***Annex 2.5.*** Sub-national DRM capacity development work will be supported by an integrated community resilience grants program to ensure a "top-down, bottom-up" approach to improved DRM in the demonstration provinces and target districts. It is expected that this grants program will enable the trial of community resilience approaches in up to 200 villages. However, as mentioned, this number is indicative and program success will not be based on quantitative measures, but instead reviewed against the extent of local replication, the level to which CSOs and NGOs have integrated DRM into local (village and district) planning, and the degree to which DRM policy (national and local) have been influenced by CSO and NGO involvement in the development of DRM systems. Figure 10 identifies the demonstration provinces for AIFDR-2.

AIFDR-2, through its DRM-CREATE program (see below 5.5.d) will not identify target villages. Instead, communities will be selected by successful NGO and CSO partners and simple selection criteria will be utilised in order to ensure that community activities are linked to local government capacity development work (see section 5.5.d: *Partner Selection*).

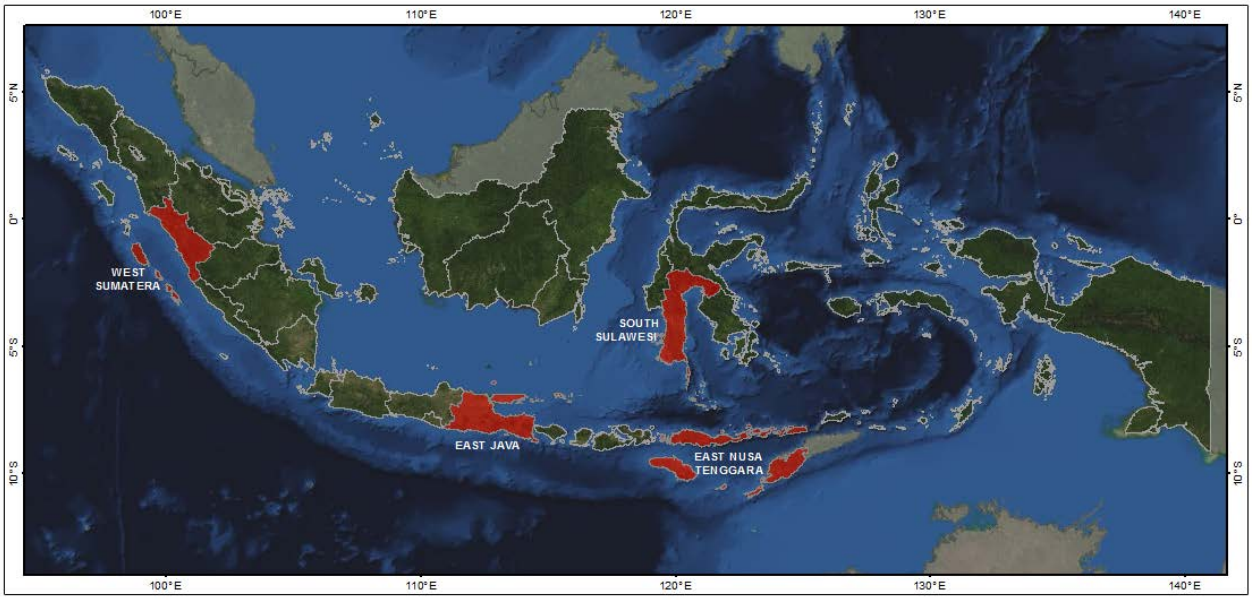


Figure 4: AIFDR-2 demonstration provinces in red.

b) How AIFDR-2 will work

AIFDR-2 will achieve its two End-of-Investment Outcomes through four inter-linking components. Each has a different implementing model. Terms of reference, Statement of Requirements, standard operating procedure for partnership and oversight from DFAT officers will ensure that the components work together:

1. **The DRM Community and Technical Expertise (DRM-CREATE) Program.** This component will be implemented by a managing contractor and/or consortium. It includes three distinct pillars: i) National (BNPB) and sub-national (BPBD) capacity development through the continuation of the Capacity Development Support Program (CDSP-2); ii) the management of a Community Resilience and Appropriate Technology Innovation Fund (CREATIF) to model

community based disaster risk management approaches and engage CSOs and NGOs in the development of local DRM systems; and iii) the management of limited targeted grants to strategically engage partners in supporting GoI capacity development and community resilience activities.

2. **The Geoscience Australia Technical Assistance Program (GA-TAP).** To be implemented by whole-of-government partners Geoscience Australia, this program underpins all AIFDR-2 initiatives but is most closely aligned to the DRM-CREATE program through the provision of an evidence base for DRM policy, planning and practice at the national, sub-national and local levels.
3. **The DFAT Disaster Response Unit.** Included under AIFDR-2 to ensure that all disaster-related initiatives fall under the same umbrella, a large amount of work undertaken by the DRU is internal and relates to Australia's in-country response capacity. It includes management of in-country relief supplies, training and capacity development of the Emergency Response Team (ERT), and the development of standard operating procedures and response manuals etc. A small budget will be available for specific inputs to initiatives that strengthen national-level systems for response preparedness, such as the National Response Framework, and efforts to improve the interface between national and international systems of disaster response.
4. **Supporting Grants to Multilateral and Regional Partners**. These modest grants will be managed by the DRU and will be used to ensure strong links between Indonesia and regional and international humanitarian systems. Continued engagement at these level will enable the successes of the Australia-Indonesia partnership to be widely promoted.

Figure 5 shows how the four key components interconnect.

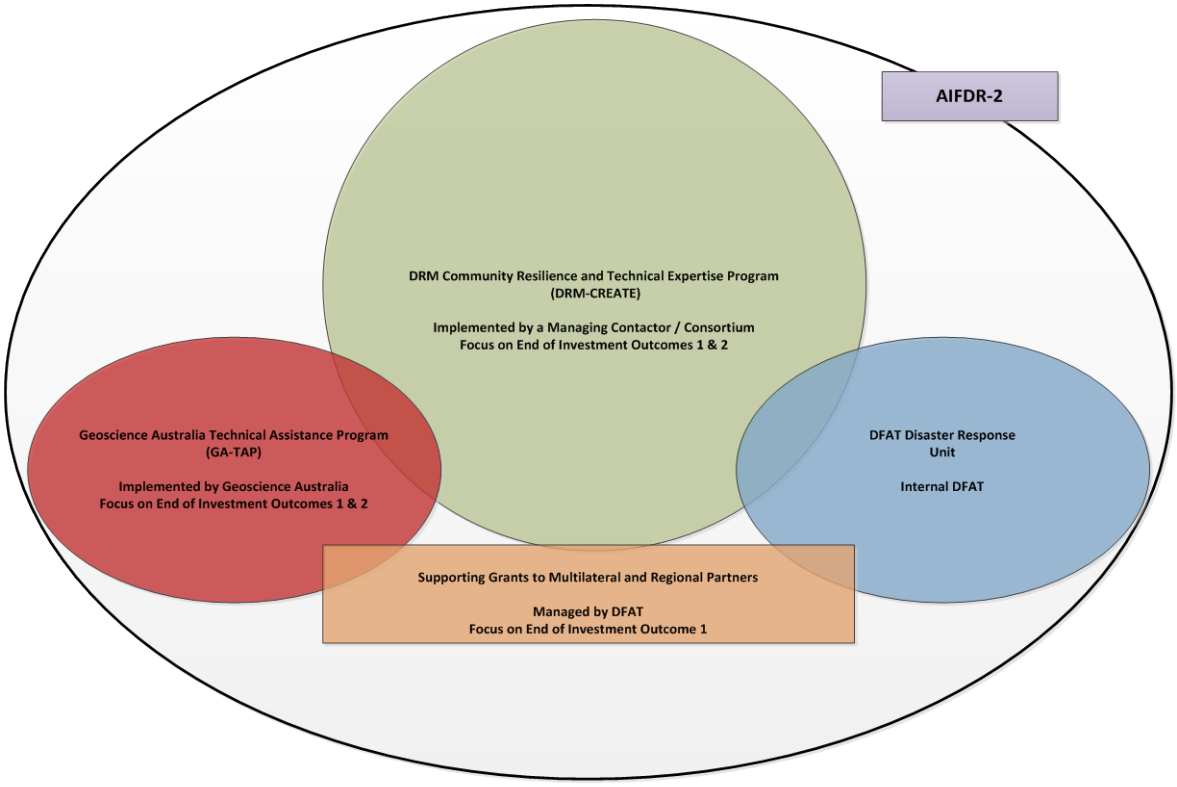
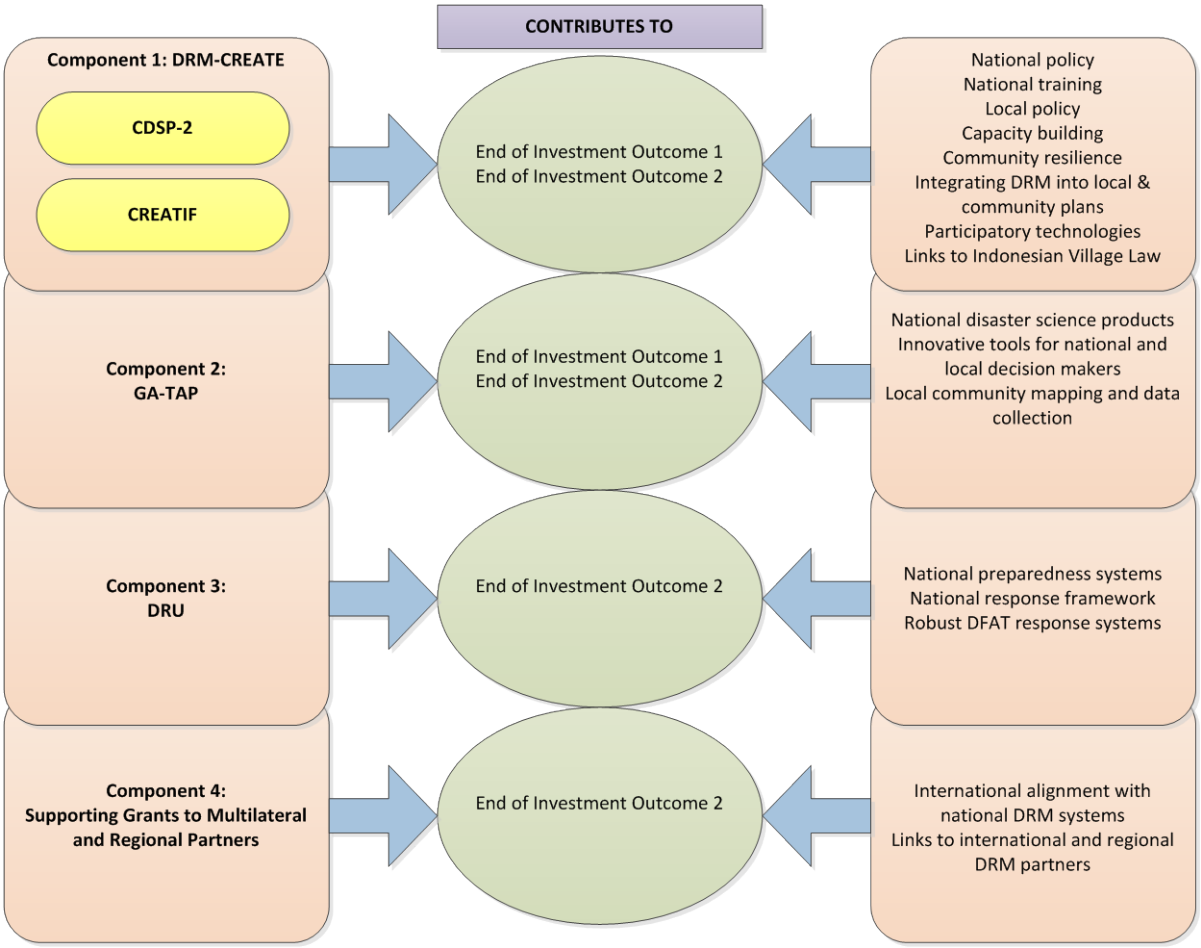


Figure 5: AIFDR-2 components

Figure 6 shows the relationship between each inter-connected component with the two stated End of Investment Outcomes.

Figure 6: AIFDR-2 components and End-of-Investment Outcomes



c) AIFDR-2 Knowledge-to-policy strategy

A key feature of AIFDR-2 will be an explicit strategy to work on the integration of knowledge of good practice and scientific evidence into relevant policies and their implementation.

Policy is taken to mean the expression of a set of values or principles that the leadership of an organisation holds to be important in delivering its mandate, or bringing about change.[43] For the purposes of the AIFDR-2 knowledge-to-policy strategy, through its use of a demonstrator model, it will also include reforms of structures, systems, processes, procedures and practices that may be necessary to enable the implementation of desirable DRM policy. AIFDR-2 will not only address the knowledge-to-policy interface at the national level, but also in the four demonstration provinces and up to 20 districts. Efforts to replicate some desirable policy and practice outcomes to non-program districts will also be included in the scope of this strategy. AIFDR-2 aims to influence not only GoI policies and practices, but also those of other stakeholders including civil society, the private sector and other donors.

The strategy will address two broad areas:

43 Bazeley, P 2012, *Thinking and Working Politically: An Evolution of Policy Dialogue in AusAID*.

- The integration of knowledge-based content for developing new ways of working effectively (policy and practice); and
- The development of partner capacity (GoI, CSOs and other stakeholders) to perform as effectively as possible at the knowledge-to-policy interface.

The overarching outcomes of the knowledge-to-policy strategy are to contribute to the adoption of good DRM policies and practices for government and non-government stakeholders at the national and local levels; and to stimulate expanded impact or replication of effective approaches to DRM in non-program locations. To achieve this, the strategy will be integrated across the broader investment addressing the needs of government and non-government stakeholders participating in interactions and linkages.

AIFDR-2 will integrate with the DFAT Knowledge Sector Initiative (KSI) and build on international good practice to develop effective knowledge-to-policy indicators. While not an existing pilot sector for the KSI, AIFDR-2 will seek to utilise KSI expertise to assist its knowledge-to-policy strategy.

Annex 2.6 provides detail and guiding principles for the development of the strategy during early implementation. These principles emphasise:

- Understanding of the context and political economy and continually updating this;
- Engaging stakeholders and stakeholder networks;
- Utilisation of different types of knowledge;
- Facilitating knowledge interaction;
- Replication of effective approaches (diffusion of innovations across geographical boundaries); and
- Resourcing the Knowledge-to-Policy Strategy.

Lessons from the demonstrator model to influence policy and practice, and the implications of the knowledge-to-policy strategy for the quality of monitoring and evaluation systems are discussed in *Section 8: Monitoring, Evaluation and Learning*.

d) Component 1: The DRM-CREATE Program

The Disaster Risk Management Community Resilience and Technical Expertise (DRM-CREATE) program is the flagship investment of AIFDR-2 and will be tendered for implementation by a managing contractor and /or consortium. Valued at $43 million over 5 years, this program adopts a "top-down, bottom-up" approach to improved DRM systems. It draws together national and sub-national GoI capacity development interventions with support to civil society organisations in order that they play a key role in the development of local DRM systems to enable safer communities and reduce the economic impact of disasters.

The managing contractor / consortium will be expected to manage national and sub-national GoI capacity building activities and assist in the ongoing testing and implementation of a national DRM training program, seeking innovative models to assist BNPB to professionalise its training capabilities and deliver sub-national training strategically and at scale. This work will be complemented by a CSO grants program that will focus on improving CSO involvement in local disaster management through engagement with local government, advocacy for improved local funding for DRM activities, and bridging the needs of local communities with the local government, with a focus on the most vulnerable. This approach is designed to address the fundamental constraints to effective DRM at the sub-national level:

a) BPBDs at the sub-national level are new agencies with limited local financial resources and low human resource technical capacity. There is a need to support local BPBDs by modelling new institutional and technical skills training approaches, building institutional strength, and

developing BPBDs' credibility to enable the agencies to fulfil their key coordination and command role.

b) Despite Indonesia's natural disaster profile, local communities lack awareness of how to deal with disasters (particularly sudden onset events), have limited understanding of their disaster risks, and struggle with how to plan locally to minimise the impacts of natural disasters, particularly on the most vulnerable. This was shown recently in the Philippines where communities were inadequately prepared for the high-intensity Typhoon Haiyan, and in Sumatra in 2012 when communities were largely under prepared and panicked in the face of a tsunami scare. By piloting BNPB policy – including national Resilient Villages guidelines and through supporting community engagement with the Master Plan for Reducing Tsunami Risk - CSOs will become important local actors in the development of DRM systems and will facilitate the integration of disaster preparedness and mitigation into local village planning processes

The DRM-CREATE program will be underpinned by the ongoing AIFDR-2 science program (GA-TAP). At the national level, partnerships with national science agencies will be leveraged to enable BNPB to undertake improved national risk mapping to better prioritise preparedness programs. At the sub-national level, provincial and district disaster managers will use InaSAFE and participatory mapping technologies to make key disaster preparedness decisions and advocate for increased local budget. Finally, at the village level communities will actively engage in participatory mapping with the assistance of partner CSOs and NGOs. This will enrich the national dataset, allowing science agencies, BNPB and local BPBD to create progressively more detailed disaster impact analysis for improved planning and prioritisation of disaster preparedness programming (*See below Section 5.5.e*).

The DRM-CREATE initiative will combine two pillars:

1) **The Capacity Development Support Program Phase 2 (CDSP-2)**: this pillar builds off the success of the AIFDR-1 CDSP initiative at the national and provincial level. The CDSP has supported 17 national technical consultants with 75% of these positions embedded within BNPB. Under AIFDR-2 this technical support program will be expanded at the sub-national level to assist local government DRM capacity development activities in four demonstration provinces and up to 20 districts. The outputs of national consultants and sub-national support teams will be linked for improved local and national policy and practice;

2) **Community Resilience and Appropriate Technology Innovation Fund (CREATIF)**: an NGO/CSO thematic grants mechanism to model CBDRM approaches with a focus on linkages and interactions between communities and local government, and integrating DRM into existing community driven development programs and local village planning. In order to maintain program flexibility and engage strategically with emerging local governance issues (such as the Indonesian Village Law), targeted grants may also be awarded based on agreement between DFAT, BNPB and the managing contractor / consortium.

These two pillars are not stand-alone. Each will be used to pilot, test and trial BNPB policy and a knowledge-to-policy approach will be utilised to ensure that local and national policy is reviewed and improved through practical implementation. The strategic placement of national consultants within BNPB, particularly within the training and education unit (*Pusdiklat*), legal and cooperation bureau, the preparedness and mitigation division, data and information centre (*Pusdatinmas*) and the emergency response division, will ensure that lessons from the trials are included in policy formulation and replicated by BNPB. Meanwhile, sub-national consultant teams will be evaluated on their facilitation between community-level activities and local government DRM policy and practice to ensure that approaches are harmonised and that lessons from community programming are being replicated at the local level.

It is expected that the CREATIF thematic grants program will include a specific monitoring and evaluation function to capture outcomes that contribute to improved local and national policy, and/or contribute to the replication or scale-up of community resilience activities. This function will also be utilised to advise partners on how to change or adapt program approaches to achieve maximum outcomes.

DRM-CREATE Program Overview

The following diagram provides an overview of the DRM-CREATE program and the interaction between policy support and practical DRM implementation at the local government and community levels. DRM-CREATE supports the replication outcome (EOIO 1) through sub-national and community programming, and the national enabling environment (EOIO 2) through national level technical support. The knowledge-to-policy strategy will ensure that learning from the program is captured and feeds into relevant policy development and dialogue.

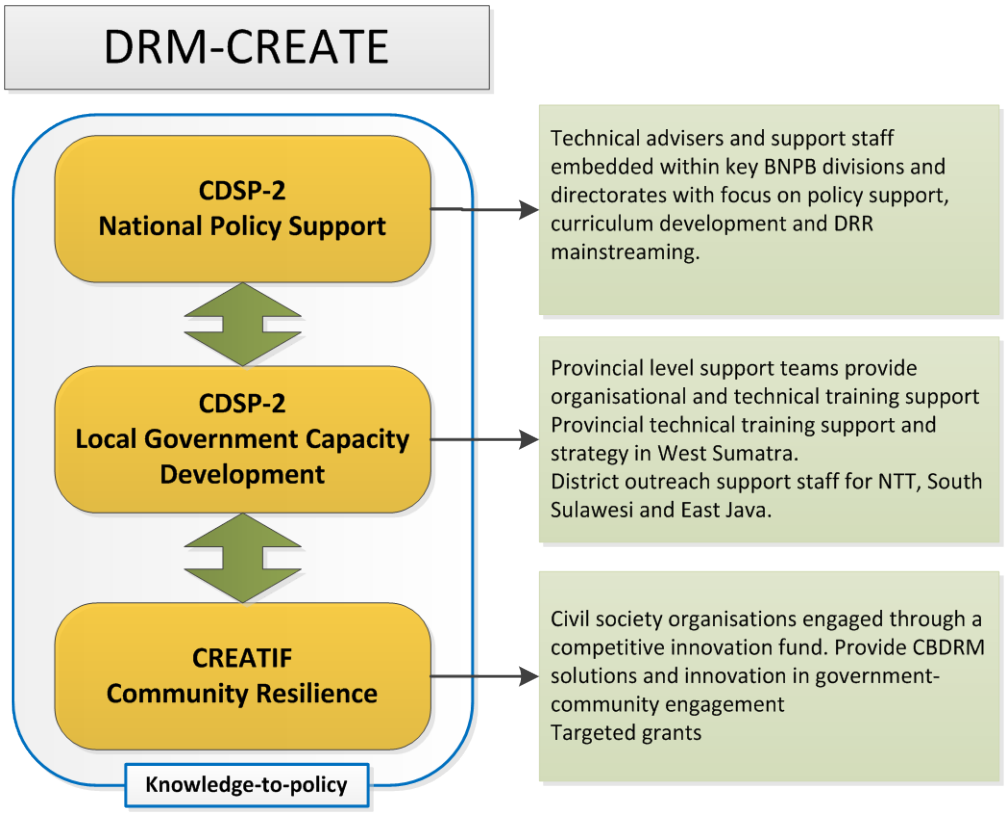


Figure 7: The DRM-CREATE Model

CDSP-2

The Capacity Development Support Program Phase 2 (CDSP-2) will build off the success of the capacity development approach adopted under AIFDR-1. The CDSP was initially targeted at capacity gaps within BNPB. Following an internal organisational capacity assessment, BNPB identified a number of key areas in which specialist assistance was required and national consultants were recruited to support policy development in the directorates of Community Empowerment, Preparedness, Risk Reduction, Logistics, Legal Affairs and Partnership, and the Data, Information and Public Relations Unit. Policy outcomes have included national regulations on gender and disability, Resilient Villages program guidelines and indicators, policy development guidelines, development of an ICT Master Plan, assistance with the Master Plan for Reducing Tsunami Risk, and emergency

response standard operating procedures. A separate team embedded with the BNPB Training and Education Unit has assisted with the development of national DRM training curricula and supported 10 working groups for specific curricula and training modules. AIFDR-1 also recruited DRM consultants to assist BPBD in four target provinces and specifically link national policy development to the sub-national implementation.

CDSP – National

Organisational assessments will be used to identify the key, strategic national positions for CDSP-2 and to identify priority GoI needs relating to the implementation of BNPB's DRM strategic plan. A thematic, team-based approach will be adopted to ensure the most effective and efficient use of external inputs. The focus of consultants within BNPB will be on technical training support to create professional and competent GoI disaster managers; evidence-based policy to support the implementation of the 2007 Disaster Management Law across preparedness, response and disaster recovery including relevant bureaucratic reform initiatives; and DRM support to assist in the development of institutionalised DRM coordination and command systems with national to community linkages. These national support teams will work together on a common results framework and annual work plans will be developed to ensure that consultants are reaching collective outcomes.

CDSP - Sub-national

CDSP-2 support teams will be bolstered at the province level and all activities will link specifically to policy, guidelines and technical training curricula being developed at the national level. This creates a conduit for feedback to BNPB to enable evidence-based policy formulation and the review and improvement of national training products. At the same time, the sub-national initiatives will be seeking opportunities for local replication and increased local support for disaster preparedness and mitigation.

A key part of the training strategy will include the development of local facilitators (drawn from CSOs, local educational institutions, and government) who will be certified and included in a national database managed by the BNPB Training and Education Unit.

The managing contractor / consortium will provide the appropriate expertise to lead collective outcome planning, and implement, monitor and evaluate outputs in the demonstration provinces and districts.

Through CDSP-2 support, targeted provincial and district BPBD will be expected to achieve both DRM service delivery and organisational performance outcomes:

Service Delivery Outcomes will enable BPBD to:

- Effectively coordinate local government and non-state actors before, during and after a disaster;
- Collect credible data and facilitate participatory mapping processes;
- Effectively operate and manage Emergency Operations Centres;
- Conduct effective contingency planning, table-top and field disaster simulations for at-risk communities;
- Integrate the needs of vulnerable groups into local disaster planning and regulations.

Organisational Performance Outcomes will enable BPBDs to:

- Demonstrate realistic, results-oriented planning and budgeting;
- Effectively advocate for and utilise local government funding for DRM activities;
- Be able to self-assess organisational capacity and identify future capacity development needs;
- Ensure provinces and districts provide sustained funding to local DRM systems and activities.

In order to achieve these service delivery and organisational performance outcomes, AIFDR-2 will need to work in partnership with other DFAT Development Cooperation programs particularly the Australia-Indonesia Partnership for Decentralisation (AIPD) or its successor program and ensure interaction with the new Indonesian Village Law.

At a minimum, sustainability and replication is expected to occur at two levels:

1) At the national level, BNPB will institutionalise AIFDR-2 outcomes through the development or review of national DRM policy and through the adoption and roll-out of a national disaster management training program;

2) At the sub-national level new approaches will be adopted and sustained by local government. Target provinces will replicate activities to other districts within the province, while target districts will be expected to replicate disaster preparedness and mitigation activities to other high-risk communities.

The CDSP-2 activity budget will support the joint work annual plans of the CDSP-2 consultants in agreed priority areas. This budget can also be used to provide flexible support to emerging priorities by funding specific short-term inputs.

More information on BNPB and BPBD organisational performance can be found at *Annex 3.3,* while indicative national and sub-national positions for CDSP-2 can be found at *Annex 3.4.*

The CREATIF Approach

The Community Resilience and Appropriate Technology Innovation Fund (CREATIF) is a competitive and targeted grants process that will be open to NGOs and CSOs, including faith-based organisations. CREATIF intends to replicate community-based disaster risk management (CBDRM) approaches by funding community resilience initiatives that demonstrate to local government effective and cost-efficient ways to engage with at-risk communities in order to increase disaster preparedness and identify, implement and/or coordinate mitigation programs. Rather than simply fund projects, CREATIF recognises CBDRM and other disaster resilience initiatives as an approach and a vehicle through which CSO and NGOs can engage with communities and bridge community disaster preparedness and mitigation needs with local government.

CREATIF also recognises that civil society is an important actor in the development of local disaster management systems, and seeks to support initiatives that foster interactions and engagement between CSOs and local government. Experience from AIFDR-1 has shown that CSOs and NGOs play an important role in the delivery of technical training to both community and local government, and supports the organisational and institutional development of local BPBD. CSOs and NGOs – including faith based organisations and institutions such as the Indonesian Red Cross – can play a positive role in advocating for improved DRM regulations and can work in partnership with the BPBD to advocate to local government and the legislative for increased budget.

CSOs and NGOs are also an important actor for piloting BNPB's national Resilient Villages program by testing the guidelines and integrating local disaster resilience into broader community development initiatives. While current public financial management systems prevent BNPB from directly funding NGOs and CSOs for anything other than one-off projects, the agency is very keen to align the Resilient Villages program with the Indonesian Village Law and is likely to channel funding to the district government for resilience programming. DRM-CREATE will combine the capacity development activities of CDSP-2 with strategic NGO and CSO initiatives funded under the CREATIF grants mechanism to identify best-practice and cost-effective approaches for BNPB to replicate.

Table 2 below lists the 20 indicators identified by BNPB as important for local disaster resilience.

Table 2: BNPB Resilient Village Indicators

BNPB RESILIENT VILLAGE INDICATORS		
Category	**No.**	**Indicator**
Legislation / Regulation	**1**	Village DRM policies or regulations; village disaster management plan; community disaster action plan; contingency plan
Planning	**2**	Village disaster management plan; community disaster action plan; contingency plan
Institutional	**3**	Village DRR Forum
	4	Disaster management volunteers
	5	Partnerships between villages or between disaster management actors
Funding	**6**	Emergency response funding
	7	DRR funding
Capacity Development	**8**	DRM training for village authorities
	9	DRM training for community members
	10	Training for DRM volunteers
	11	Participation of community in DRM decision making
	12	Women's participation in volunteer groups
Disaster Risk Management	**13**	Local disaster risk mapping and analysis
	14	Evacuation maps, evacuation routes, evacuation sites
	15	Local early warning systems
	16	Structural/physical disaster mitigation
	17	Economic resilience to reduce disaster impacts
	18	Protecting the health of vulnerable populations
	19	Environment and resource management for disaster risk reduction
	20	Protecting local productive assets

As can be seen from the resilience indicators, it will be important to link to existing community driven development programs (such as PNPM); sectoral programs (such as the Health Ministry's *Desa Siaga* program); livelihoods programs (such as DFAT's rural development activities); as well as integrating DRM into village planning through the Indonesian Village Law.

The managing contractor / implementing consortium will be expected to design the approach to the CREATIF grants mechanism as part of their tender bid. Further details will be included in the Statement of Requirements. The following guidelines will assist the MC / implementing consortium in the design of this approach:

Geographic focus

The CREATIF competitive and targeted grants program will be implemented in the AIFDR-2 demonstration provinces. East Java, NTT and South Sulawesi are currently focus regions for a number of DFAT Development Cooperation interventions; while West Sumatra has been a key focus of AIFDR-1 and is considered to have one of the country's highest earthquake and tsunami risks. All provinces present varying human resource and organisational capabilities in the DRM sector; face a range of hazards including tsunami, earthquake, volcano and flood risks; and also present different and challenging geographic profiles. East Java is one of the most populated provinces in Indonesia and has the highest number of districts. Districts are large and offer urban and rural environments. There is a considerable concentration of private sector companies and industry, and AIFDR-1's piloting of the BNPB Public, Private & People Partnership in East Java has shown a willingness of the local private sector to take a role in DRM outside of emergency response, including volunteer training, provision of early warning alerts and emergency response provisions, and engagement in local mitigation efforts. AIFDR-1 has built a strong relationship with the provincial BPBD, has piloted a joint AIPD-AIFDR program, and has a robust partnership with Indonesia's largest Islamic faith-based organisation Nahdlatul Ulama whose base is in East Java.

NTT is an archipelago province which hampers provincial oversight of emergency management systems. The province is largely rural and has a low Human Development Index. Working in partnership with Oxfam in NTT, AIFDR-1 has identified a number of strong local CSOs who have taken a lead in supporting local DRM systems and have particularly promoted social inclusion and protection of the most vulnerable. AIFDR-1 has worked with Christian faith-based organisations on livelihoods and gender-sensitive approaches to disaster mitigation. These existing networks will continue to be nurtured under the CREATIF approach. The construction of an Emergency Operations Centre in NTT under AIFDR-1 will support future improved response capacity. Given the geographic challenges of NTT, innovative approaches to response and command systems and policies will need to be explored.

South Sulawesi has a population of around 8 million people and has historically experienced severe floods, landslides and earthquakes. Earthquake hazard is high in the northern part of the province due to the highly active Palu-Koro and Matano Fault systems, and moderate in central South Sulawesi due to the Wallanae Fault. South Sulawesi also experiences droughts and other severe weather events including extreme wind. The southern and north-eastern coasts of the province have moderate tsunami risk. All 24 districts and municipalities in South Sulawesi are ranked high risk by BNPB. The construction of an Emergency Operations Centre in South Sulawesi under AIFDR-1 will provide the focus for preparedness for response and innovative approaches to linking communities to GoI response systems may be explored through the grants program.

Target villages will not be selected by the program, but instead nominated by CSO and NGO partners based on the thematic area governing the intervention and broad criteria to ensure links to AIFDR-2 local government DRM capacity development. The MC / implementing consortium will be expected to design an approach that ensures the best possible linkages between selected provinces, target districts, CSO/NGO partners and nominated villages.

In order to link community initiatives with the broader DRM-CREATE program, to align with and leverage the development of more robust national hazard science products, and to enable utilisation of technological tools such as participatory mapping platforms, communities should initially be selected in line with the following broad criteria:

- Coastal communities at high risk to tsunami and earthquake taking a multi-hazard perspective;
- Communities frequently affected by hydro-meteorological hazards without excluding other hazards;
- Communities at risk of the same hazard type, selected by adopting a cluster approach.

Thematic approach

A thematic approach to grants delivery will be implemented to ensure that NGOs and CSOs adopt the role as important actors and facilitators in the development of local DRM systems and DRM governance. This will occur in a number of ways through advocacy, direct programming and local networking. CSOs will be expected to pilot national government policy, particularly the Resilient Village program, and in partnership with other DFAT programs will test ways in which the Resilient Village indicators can be integrated within local village planning and institutionalised into local government planning. Under the DRM-CREATE program, local NGO and CSO staff will also have the opportunity to be trained as DRM facilitators allowing them to join the BNPB national trainer database being developed under the CDSP-2 capacity development pillar. By providing grants for thematic community resilience areas, the DRM-CREATE program will be seeking to identify areas of convergence between the thematic approaches that result in improved community resilience outcomes and, more importantly, sustained and replicated resilience activities. The key themes include:

1. **Community-based disaster preparedness** approaches that can be replicated by local government and help to influence local and national policy (see below);
2. **Capacity development for CSOs/CBOs** in order that DRM is integrated into existing community driven development programs;
3. **Research and technology** for community resilience solutions with an emphasis on simple, replicable approaches;
4. **Media in DRM** to advocate around DRM issues and to educate communities about disaster risk, preparedness and mitigation;
5. **Resilient livelihoods** to protect communities from the impact of disasters, particularly slow-onset or seasonal disasters such as flooding. This can include local risk transfer, business continuity plans, diversification, and links to research and development.

Competitive vs targeted grants

It is envisaged that about 70% of grants will be competitive in nature, while the remaining 30% will notionally be targeted. The thematic areas form the key guidelines for competitive and targeted grants.

Competitive grants are largely expected to be offered to provincial and district-based NGOs and CSOs. Therefore, the MC/implementing consortium will be responsible for the design and management of the competitive grants process. In line with the overarching AIFDR-2 partnership approach, selection of partners will be undertaken through a multi-stakeholder process that includes representation from BNPB, local BPBDs, DFAT, MCs and independents. Grantees will be finalised with the approval of the AIFDR-2 Steering Committee. As previously identified, networks of NGOs and CSOs with experience in DRM do exist in the demonstration provinces, many of which have been

funded by INGOs and other projects in the past. The funding envelope for local NGOs and CSOs, based on the experience of other DFAT programs, will be between $50,000 - $200,000.

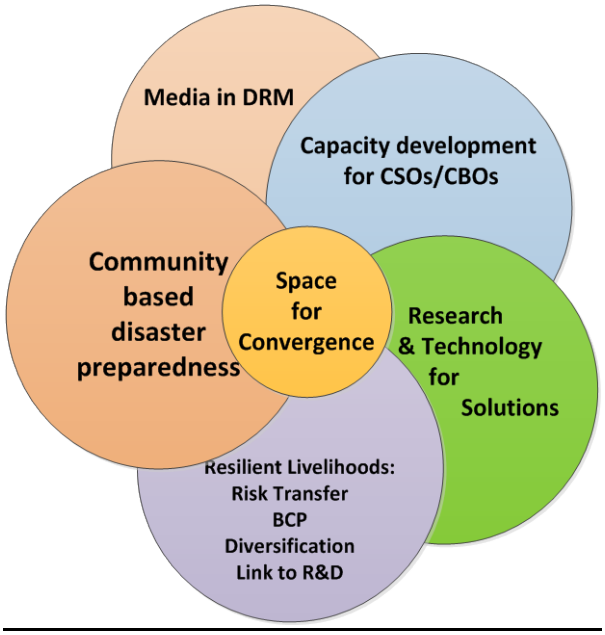
Targeted grants will be utilised to maintain a level of flexibility in the program. Targeted grants may be used to fund selected faith-based organisations, to target specific partners to test emerging DRM opportunities, or to conduct DRM research through local universities. All targeted grants will be approved through the AIFDR-2 steering committee.

The basic principles underlying the CREATIF grants mechanism – whether for competitive or targeted grants – are as follows:

- CSOs will need to trial cost-effective models for community disaster preparedness and mitigation that can be replicated by local government;
- CSOs will need to remain flexible and demonstrate how DRM can be integrated into village planning as part of the new Indonesian Village Law;
- CSOs will need to facilitate forum, networks and dialogue spaces that bring together private sector, government and non-government actors.

Figure 7 below shows how the CREATIF approach seeks to identify convergence between the various approaches.

Figure 7: The logic of CREATIF



The CBDRM approach

Community based disaster risk management (CBDRM) encompasses the thematic approaches presented above. Since the 2004 Indian Ocean Tsunami, there has been considerable investment into CBDRM, however analysis undertaken as part of the AIFDR-2 design shows that a large majority of CBDRM initiatives have been implemented as a 'project' rather than a 'development approach'.

The ultimate goal of CBDRM is to reduce people's vulnerability and to help achieve community resilience. In practice, therefore, CBDRM is an approach to community development – not a project.

This means that different community members (including women, men, children, the elderly, and those with disabilities) are able to access and optimise internal and external resources to reduce disaster risks. By mobilising social capital, communities can also attempt to reduce their 'political vulnerability'; that is, CBDRM efforts can enable people, particularly those who are marginalised, to have a political voice, to gain access to political resources, spaces and positions, and increase their power to achieve safety and security from natural disasters. CBDRM is one of a number of important approaches for participation in local village development, and therefore is a contextually powerful tool in light of the emerging Indonesian Village Law (particularly tools such as local risk assessments and participatory capacity and vulnerability assessments).

In line with the community resilience analysis undertaken as part of the AIFDR-2 design process, the following four programmatic approaches have been identified as appropriate in the Indonesian context and should therefore act as guidelines for the MC / consortium when considering the design of the CREATIF grants mechanism.

1. **School-based CBDRM**. This often relates to basic, local school preparedness, but is also important for transferring knowledge about local risks and disaster mitigation. It enables links between the local education department and BPBD. Political economy analysis undertaken for the AIFDR-2 design has identified the education cluster system as an important vehicle for replication.
2. **CSO-facilitated community disaster preparedness with linkages between the community and local government**. Preparedness activities are identified in the Resilient Villages policy and require communities to understand their disaster risks and to plan accordingly. Often preparedness activities are the easiest for local government to replicate and help to promote community-government interactions.
3. **Gender and social inclusive livelihood recovery activities that address the root causes of people's vulnerability**. This is a more comprehensive mitigation approach that requires BPBD coordination, CSO facilitation and integration with different local departments. DFAT's rural development programs provide a strong base for jointly piloting some of these approaches.
4. **Inter-sectoral partnership approach, such as combining DRR with climate change adaptation, health and social protection, therefore contributing to broader institutional development.** This inter-sectoral approach can be piloted through Frontline service delivery and integrated through the Indonesian Village law planning processes. It requires CSOs to play an advocacy role between sectors and in linking community to local government.

Partner selection

Learning from other DFAT community empowerment programs has shown that it is important that CSO and NGO partners are able to test simple, cost-effective models and interact closely with local government to promote ownership of these approaches ensuring greater chance of sustainability, replication and scale-up.

Programs supported by AIFDR-1 have shown that CSO and NGOs, including faith based organisations, can play an important role in supporting the development of local DRM systems. Civil society can monitor local resilience, bridge community needs with local government through advocacy and direct programming, and broker access to decision makers. The implementation of the Indonesian Village Law will require a new brokering role, facilitating village governments to understand local capabilities and local vulnerabilities, identify risks and explore ways to reduce these risks.

The following guidelines should be utilised to ensure the selection of good partners:

- **Leverage existing networks** – The MC/implementing consortium should map existing networks and CSO strengths within the target provinces and have an understanding of local NGOs and CSOs with DRM experience;
- **Integrate DRM into broader CSO/NGO interventions** – The program should seek to mainstream or integrate DRM into existing community driven development initiatives. CSOs and NGOs should be encouraged to consider how DRM can be mainstreamed and trialled in existing programs. This would require basic capacity building in DRM concepts and understanding of the national Resilient Villages program;
- **Building coaching and mentoring into the proposal selection process** – A minimum two-stage process should be followed through call for concept and submission of proposal. The MC/implementing consortium should consider a process that provides ongoing support including development of basic program logic, alignment with local government etc. (see Figure 8)
- **Ensuring basic skills such as financial management, reporting and planning** – The National NGO Study and Service Centre (NSSC) is currently under design by DFAT and has identified the issue of poor public accountability among local organisations. The CREATIF grants mechanism should provide capacity development including basic financial management and reporting standards. However, at least initially, key criteria for selection should include the ability of the partner NGO or CSO to demonstrate a minimum degree of public accountability.

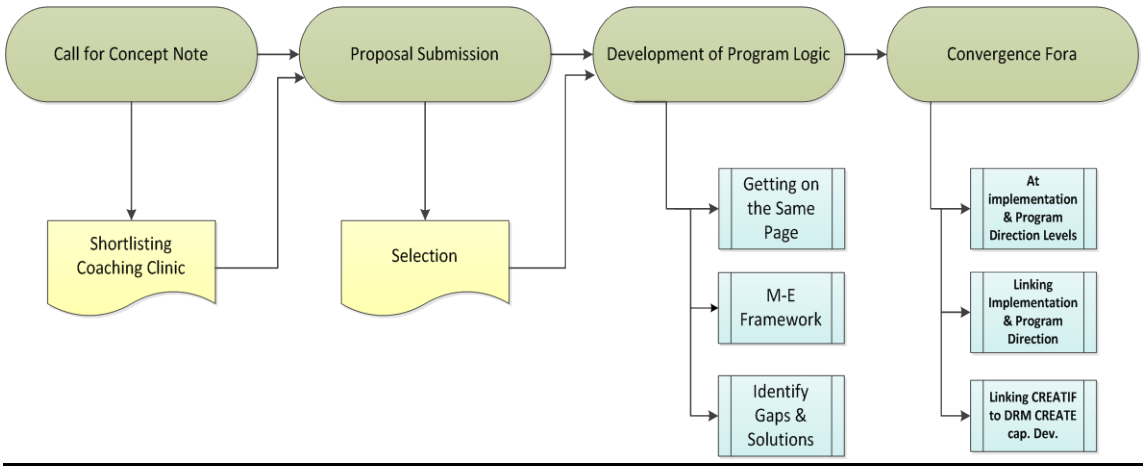


Figure 8: Flowchart for concept and proposal submission under CREATIF

"End-to-End" Model and Provincial-Level Models

In order to test different approaches to the delivery of GoI capacity development and the engagement of civil society organisations in the development of DRM systems, the DRM-CREATE program will initially trial three implementation and engagement models. This strategy is employed to achieve the best potential sustainability and replication within budget allocations, build upon existing DRM programming, and will enable a comparative approach to monitoring and evaluation of expanded impacts.

1) The "End-to-End" Model will include DRM capacity development at provincial and district level through the CDSP-2 initiative, complimented by the CREATIF innovation grants program at the community level. The entry-point for training and planning at the provincial and district level will be on preparedness for response to three specific disaster hazards –

tsunami, earthquake and flood. This will enable the utilisation of existing science and technology tools (such as InaSAFE) for disaster planning;

2) The Regional Technical Training Model will utilise the Padang DRM Training and Logistics Centre (UPT-BNPB) in West Sumatra. Indonesia's first regional training centre, the UPT-BNPB was funded under AIFDR-1 and has been established as a learning model for future regional training centres. The training centre will be the focus for a technical DRM training program for provincial and district BPBD throughout Sumatra Island. This could include partnerships with local CSOs and NGOs in the delivery of training and capacity building, or in assisting local government in the delivery of DRM services;

3) The Provincial Preparedness for Response Model will focus initially on South Sulawesi and NTT Provinces where AIFDR-1 has funded and supported new Emergency Operations Centres. This program will focus on emergency preparedness systems and human resource development and will seek to develop an integrated province-wide emergency support system which will act as a model for other provinces. Local NGOs, CSOs and organisations such as the national Red Cross may assist in the delivery and sustainability of this model.

Linkages

In order to achieve success and obtain expanded impact, the DRM-CREATE program, as well as the AIFDR-2 science interventions, will need to integrate with the broader DFAT Development Cooperation program. The managing contractor / consortium will be contractually obliged to link with key programs including the new Australia-Indonesia Partnership for Decentralisation in order that public financial management and planning capacity is provided for BPBD. NGOs and CSOs under the CREATIF funding mechanism should have access to the National NGO Study and Service Centre (NSSC) to assist with overcoming the sorts of challenges identified in the NSSC preliminary analysis such as dependence on donor funding, high staff turnover, poor use of research, limited documentation of outcomes, lack of an effective intermediary and support sub-sector, and poor public accountability. CSOs and NGOs supported under the DRM-CREATE program will also be able to provide important DRM sector learning into the NSSC. DRM-CREATE will integrate will some of DFAT's key Frontline service delivery sectors including health and education, while rural development initiatives provide scope for direct joint involvement.

In terms of community driven development and implementation of the Indonesian Village Law, involvement at the community level will see engagement with PNPM facilitators and programs and the potential integration of DRM into local village planning.

Further information on CBDRM and community resilience can be found at ***Annex 3.1***. Meanwhile, indicative CDSP-2 staffing positions can be found at ***Annex 3.4***, and an overview of the national training strategy can be found at ***Annex 3.5***.

A more complete overview of requirements of the managing contractor / consortium for DRM-CREATE will be included in Statement of Requirements in the Request for Tender.

e) Component 2: The GA-TAP Program

Science has been an integral and important element of AIFDR-1 and Geoscience Australia will continue to play a key technical assistance role in phase two. The Geoscience Australia Technical Assistance Program (GA-TAP) replaces AIFDR-1's Risk and Vulnerability program and is a key cross-cutting initiative for AIFDR-2. It links directly to the DRM-CREATE program and underpins both End of Investment Outcomes by providing an evidence-base for improved planning and decision-making at national, sub-national and community level. The AIFDR-1 science program has achieved considerable recognition within BNPB and the tools developed in partnership with BNPB, Indonesian science agencies, and the World Bank, such as the InaSAFE disaster scenario development tool, are now earning a global reputation and are being widely utilised. Partnerships with other DFAT programs

have proven the utilisation of geospatial data and planning, and have led to the development of new approaches to mapping social vulnerability[44]. This will be an important element of the GA-TAP program going forward, and the in-country team will be responsible for integrating and mainstreaming geospatial data collection using open-source tools throughout the DFAT Indonesia Development Cooperation portfolio.

GA-TAP will build upon the work of the first phase of AIFDR with a focus on supporting government capacity development and community resilience through the roll-out of innovative disaster management tools such as InaSAFE and OpenStreetMap, and through the development of hazard maps and scientific evidence necessary to inform the DRM cycle. Two Geoscience Australia specialists will be mobilised to Indonesia under GA-TAP. The in-country team will be supplemented by fly-in, fly-out technical specialists from GA in Canberra as required to support the work program. It is important to note that the GA specialists will be deployed and provided in-country support under the existing DSSI[45] period offer, and not seconded to DFAT as they were under the first phase of AIFDR. GA-TAP therefore represents a separately contracted component of AIFDR-2.

The GA specialist team will be responsible for the management of a number of key initiatives that link directly to national policy formulation, skills training at the sub-national level and participatory mapping at the community level. While GA-TAP is most closely associated with the achievement of EOIO 2 and the improved DRM enabling environment, science and technology will be mainstreamed into all AIFDR-2 programs and interventions.

1. **Integration of spatial data into DRM planning and decision-making through the use of InaSAFE and OpenStreetMap**. InaSAFE has been identified by BNPB as one of the key spatial planning tools for improving understanding of potential disaster impact and to plan accordingly. InaSAFE was developed in the first phase of AIFDR, and under the new phase GA-TAP will link closely with the DRM-CREATE program to ensure that InaSAFE and the open-source participatory mapping techniques of OpenStreetMap (OSM) are put into practice at the provincial and district level. InaSAFE, which provides disaster scenarios for planning, has already become a global disaster risk management tool through the joint development and support of the World Bank, and will enable Indonesia to lead in the development of local, context-specific disaster scenarios, while the incorporation of OSM mapping techniques will allow local governments and communities to understand the impact of hazards on the population and on local infrastructure and to actively participate in the data collection process.
2. **Continued development of InaSAFE software**. InaSAFE was developed by AIFDR-1 in partnership with the World Bank's Global Facility for Disaster Reduction and Recovery (GFDRR). This tool is now being utilised more broadly within BNPB and a working group has been initiated to institutionalise InaSAFE training into the BNPB Training & Education Unit. Continued software development will ensure that the tool's functionality meets the emerging needs of BNPB.
3. **Continued development of disaster hazard, impact and risk maps with national science agency partners to inform DRM**. Before disaster managers can plan against potential disaster they need to know the hazards they face, and the potential impacts and risks involved if an event occurs. This way BNPB and BPBDs can provide relevant and appropriate DRM services to communities. GA-TAP will capitalise on existing partnerships with Indonesian science agencies and build upon GA's comparative advantage in geophysical hazards with a key focus on earthquakes and tsunamis.

44 The ACCESS program, for example, has shown how participatory mapping technology can be easily adopted by communities and local NGOs/CSOs for geospatial mapping of social vulnerability.

45 The Deployment Support Services to the Government Partnership Fund of Indonesia (DSSI) is utilised for deploying staff from other WoG agencies and includes deployment of Department of Treasury staff for secondment to the Indonesian Ministry of Finance.

4. **Continued development of real-time earthquake hazard information including real-time shake maps**. Real-time hazard information is important for enhanced response capabilities and is a focus of the GoI. AIFDR-1's risk and vulnerability program worked together with the Geology, Meteorology and Climatology Agency (BMKG) and BNPB to develop Indonesia's first real-time earthquake monitoring tools. This collaboration will continue under GA-TAP.
5. **Continued research and teaching partnerships with the Bandung Institute of Technology including the Graduate Research on Earthquake Tectonics (GREAT) program designed with the Australian National University to train earthquake hazard scientists**. One of the key strategies for building a sustainable cadre of future hazard scientists in Indonesia has been through the AIFDR-Bandung Institute of Technology partnership program known as GREAT. Under this partnership 22 masters-level students are enrolled and eight PhD students. The aim is have 20 masters students and five PhD students enrol in the GREAT program each year.
6. **Partner with BMKG on extension of the tsunami warning system to Eastern Indonesia**. The global community supported the Indian Ocean Tsunami Warning System designed to protect tsunami-vulnerable communities from future tsunami events. A limited understanding of earthquake sources in Eastern Indonesia provides a challenge for Indonesian science agencies in providing timely warnings in this part of the archipelago.
7. **Continued work with Badan Geologi on volcanic ash fall monitoring**. Indonesia has more active volcanos than any other country, and recent events in Indonesia (Mt Sinabung 2013; Mt Kelud 2014) have shown both the human and economic impact of volcanic events. GA specialists have been working with the Geology Agency to model ash-fall scenarios for some of the country's most active volcanos. This information assists local governments and communities to plan accordingly.
8. **Ongoing support to the DFAT Disaster Response Unit for disaster event analysis**. GA-TAP will continue to provide technical and specialist advice for GoA response preparedness initiatives as well as provide spatial data, analysis and advice to the Australian Mission in Indonesia during a major disaster event.

Table 3: Indicative Outputs GA-TAP

Program Area	Partnerships	Outputs
Integration of spatial data into DRM planning and decision-making through the use of InaSAFE and OpenStreetMap	BNPB and target BPBD Directly integrated with DRM-CREATE. OSM platform to be trialled across broader DFAT aid program for use in poverty mapping; local Bappeda planning and mapping etc. Training held for other donors interested in replicating technologies.	- Development and enhancement of training modules; - Training at national level, demonstration provinces and target districts in InaSAFE, OSM and scenario assessments; - Training of civil society partners on QGIS and OSM; - Expansion of open source tools to support GoI; - Storage and archiving of DRM assessment and planning analyse.
Continued development of InaSAFE software	BNPB to integrate into central data and information systems.	- InaSAFE software maintenance and development; - InaSAFE release management; - Website development; - Support for developers and users.
Continued development	Indonesian science agencies. BNPB and sub-national BPBD.	- Local-scale tsunami hazard maps; - Provincial and national-scale

of disaster hazard, impact and risk maps with national science agency partners to inform DRM	DFAT aid program – particularly infrastructure; schools programs etc. Other donors.	earthquake hazard maps; - Training, assistance and mentoring to Badan Geologi (BG); - Facilitate relationships with related GoI agencies to make hazard information available to disaster managers; - Support BNPB and BPBD to use hazard information in InaSAFE.
Continued development of real-time earthquake hazard information including real-time shake maps	BMKG & BNPB. Sub-national emergency operations centres. DFAT Disaster Response Unit. Linking with other disaster platforms – such as USAID's InaWARE.	- In partnership with BNPB and BMKG maintain and update real-time earthquake impact forecasting system; - Scope and implement strategies for improved data archival of strong ground motion data by BMKG.
Continued research and teaching partnerships with the ITB including the GREAT program designed with ANU to train earthquake hazard scientists	ANU. Indonesian universities. DFAT scholarships program.	- Continuation of GREAT program to train 25 earthquake hazard scientists per year; - Cross-institutional teaching and student experiences involving 20 masters and 5 PhD students each year; - Students to lead on Jakarta Earthquake Risk Assessment.
Partner with BMKG on extension of the tsunami warning system to Eastern Indonesia	BNPB & BMKG. Indonesian universities.	- BMKG can provide tsunami warning for Eastern Indonesia that are informed by a database of realistic tsunami scenarios.
Continued work with *Badan Geologi* on volcanic ash fall monitoring	BNPB & BG. Australian Bureau of Meteorology. DFAT Disaster Response Unit	- Renew GoI access to wind field data; - Maintain modelling capabilities within BG.
Ongoing support to the DFAT Disaster Response Unit for preparedness and disaster event analysis	DFAT Disaster Response Unit	- Provide access to relevant spatial data for specific hazards and locations; - Provide prompt analyses and advice.

GA-TAP Integration with AIFDR-2 Initiatives

The GA-TAP program underpins the key initiatives of AIFDR-2 from international and regional engagement to community participation in the collection of important and contextual geospatial data. Figure 9 provides an overview of the key interactions with the broader AIFDR-2 program.

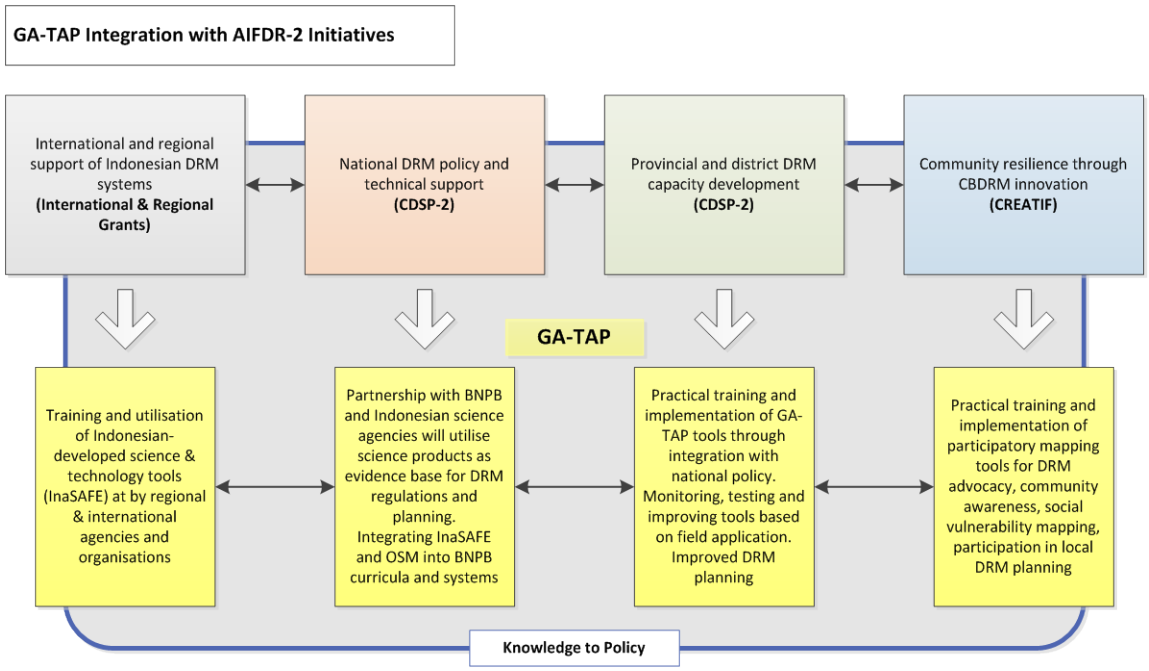


Figure 9: Integration of science within AIFDR-2

f) Component 3 & 4: DFAT Disaster Response Unit and Grants for International and Regional DRM Partners

It is important that DFAT's Disaster Response Unit (DRU) integrates with the broader work in disaster preparedness, mitigation and community resilience. Although responsible mainly for the Australian Mission's whole-of-government response mechanisms in Indonesia, under AIFDR-2 the DRU will take a lead on assisting BNPB and other national DRM stakeholders in the development of improved national preparedness systems that will guide response during national-level emergencies. This important work, including the National Response Framework which will continue in collaboration with the New Zealand Aid Programme, will also influence sub-national response systems and therefore links directly to the capacity development work being undertaken by AIFDR-2's DRM-CREATE program.

To maintain links between Indonesia and the international and regional disaster management framework, AIFDR-2 will continue to provide modest support to regional and international humanitarian DRM stakeholders, particularly for specific initiatives that strengthen national-level systems for response preparedness and efforts that improve the interface between national and international systems of disaster response. International and regional stakeholders will continue to support Indonesian engagement and leadership in regional and international fora and ensure that relationships and operational protocols exist, and can be mobilised, if a major disaster overwhelms Indonesian response capacity.

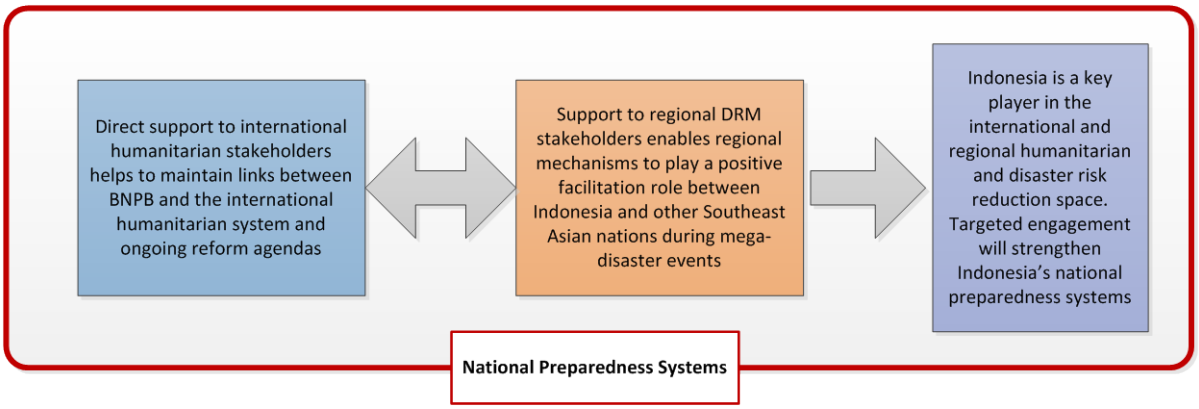


Figure 10: DRU activities, multilateral and regional grants, and national preparedness systems

g) Investment Flexibility

In terms of scalability, AIFDR-2 has been designed as a flexible and adaptive investment that can easily be scaled up in response to increased funding. Scale can be achieved holistically with the addition of geographic areas (new provinces) or in discrete components based on supporting analysis, such as an increase in funding for CSO partnerships through the Community Resilience and Appropriate Technology Innovation Fund (CREATIF). This funding mechanism will be managed to enable flexible approaches by CSOs and NGOs to changing environments. This will be particularly important as the aid program adapts to the Indonesian Village Law. GoI capacity development activities will be contextually driven and annual planning processes will enable flexible approaches to capacity outcomes. Where major changes may be required outside of annual planning processes, the AIFDR-2 governance arrangements will enable flexible solutions.

6. Management and Implementation Arrangements

6.1 Background

As a directly implemented Australian Government facility, the first phase of AIFDR managed a wide range of contract and grant arrangements responding to strategic priorities at the national and sub-national level as agreed between DFAT and BNPB. These funding arrangements included a mix of managing contractors and individual contractors, grants to national and international NGOs and CSOs, and grants to UN agencies, multilaterals and regional bodies. Many of the initial funding initiatives were opportunistic, which was fitting for an emerging national sector and a new partnership in DRM. At its height, AIFDR-1 was managing over 100 separate activities.

By contrast, AIFDR-2 will adopt a hybrid model with a vastly reduced DFAT staffing profile, one main flagship program responsible for capacity development and community resilience outcomes, which will be tendered to a managing contractor and/or consortium, and an ongoing science program implemented by whole-of-government partners Geoscience Australia using an outsourced arrangement through Record of Understanding (RoU) between GA and DFAT. These changes reflect the shift in focus of AIFDR-2 to the sub-national level and also reflect the need to implement the investment in a more efficient and effective way.

Annex 2.1 provides an overview of Year 1 Deliverables for AIFDR-2.

6.2 Division of Responsibilities

Table 4 identifies the AIFDR-2 components and the partners responsible for implementation:

No.	AIFDR-2 Components	Implementing Partner	Indicative budget / 5 yrs
1	DRM Community Resilience and Technical Expertise Program (DRM-CREATE)	Managing Contractor	$43 million
2	Geoscience Australia Technical Assistance Program (GA-TAP)	Geoscience Australia	$12.5 million
3	DFAT Disaster Response Unit	DFAT (AIFDR-2) – Disaster Response Unit	$4 million
4	Multilateral & Regional Partner Supporting Grants	DFAT (AIFDR-2) – Disaster Response Unit	$5.5 million
5	Administered Corporate Costs	DFAT (AIFDR-2)	$5 million

Table 4: AIFDR-2 Components

Core to the success of this investment is the partnership between Australia and Indonesia in the DRM sector. DFAT and BNPB, through a continued co-directorship model, will be jointly responsible for determining the overall strategic direction and priorities of AIFDR-2; managing the development of annual work plans; establishing wider partnerships; responding to emerging contexts and strategic opportunities within budget limitations; ensuring alignment with the programs and initiatives of DFAT and other donors; and complying with Indonesian and Australian development policies and safeguards.

The DFAT AIFDR-2 team: will monitor all Intermediate and End-of-Investment Outcomes and deliverables to ensure these are linked back into the national policy arena, at the same time ensuring these outcomes inform Australia's results reporting frameworks. DFAT will manage the DRM-CREATE Managing Contractor (MC) contract and through reporting and review processes (particularly analysis of annual M&E Reviews) will work in partnership with the MC, the Geoscience Australia GA-TAP team and BNPB to ensure that annual work plans are evidence-based and align with GoI and GoA priorities.

The DFAT Jakarta Disaster Response Unit: will support AIFDR-2 by being responsible for Australian readiness and strengthening of Indonesian preparedness systems with oversight and management of international and regional preparedness for disaster response and recovery activities and management of grants to regional and international partners. This aligns closely with the DRU's core responsibility of ensuring that Australia itself is adequately prepared in-country to support Indonesia to respond to and recover from major disasters.

BNPB: will be responsible for providing in-kind contributions, including the use of office facilities for embedded technical assistance and funding of emerging capacity development opportunities and activities based on AIFDR-2 outcomes. Ownership is a guiding principle and one of the key drivers of AIFDR-2's approach to expanded impact and replication, and by linking activities to national disaster management planning documents will ensure BNPB has a level of strategic responsibility and leadership over outcomes. BNPB will be responsible for enabling and facilitating AIFDR-2 programs to connect with, leverage off and improve existing Indonesian DRM systems. Annual planning processes will be used to identify specific areas for cost sharing.

The MC/consortium: will be selected through a competitive tender process and engaged to implement the flagship DRM-CREATE program which will include procurement and administration of CDSP-2 national and sub-national advisers (including recruitment, contracting and payroll);

management of key capacity development initiatives and regular reporting of outcomes and results to BNPB and DFAT management team; management and implementation of CREATIF – the Community Resilience and Appropriate Technology Innovation Fund (involving grants management for civil society partners); monitoring and evaluation of activities; and impact analysis including identification of key learning for knowledge-to-policy outcomes.

To achieve this, the MC will take an active management role of the DRM-CREATE program and will be accountable for the delivery of sub-national and selected national outputs and outcomes. While division of roles and responsibilities will be included in the Statement of Requirements, one of the key initial deliverables will be for the MC, DFAT and GA to develop a management operations manual that will be approved by BNPB and routinely reviewed throughout the life of the program. This process will also be integral to developing a strong partnership and effective working relationship between DFAT, GA and the MC from the beginning of implementation.

The MC will engage technical managers who will work closely with the DFAT team and government partners. The separation of role and function between these managers will be clearly articulated within Terms of Reference (ToR). The MC will be expected to transition the AIFDR-2 offices at Menara Thamrin into a project office that will house MC specialists and staff, GA specialists and staff, and seconded DFAT officers. This is expected to support efficiency and strengthen the partnership at all levels.

Geoscience Australia: will be responsible for management and implementation of the GA-TAP program and ensuring that activities align with the overall AIFDR-2 investment logic and identified intermediate outcomes. The GA team will be responsible for building and maintaining relationships and partnerships with Indonesia science agencies and facilitating interactions with national and sub-national disaster management agencies as required.

The MC, DFAT and GA will be jointly responsible for delivering on gender equity and social inclusion commitments.

6.3 Staffing Arrangements

AIFDR-2 will be staffed by 6.5 DFAT officers including a part-time Australian Co-Director (see Table 5) plus a team of 3 DFAT staff for the Australian Embassy-based Disaster Response Unit (Table 6). DRU staff continue to be resourced from departmental funds and are therefore outside of AIFDR-2 funding.

Position	Number	Role
EL 2	**0.5**	Director DRM & Rural Development *AIFDR-2 Australian Co-Director*
EL 1	**1**	AIFDR-2 Policy/Program
SPM	**1**	AIFDR-2 Policy/Program Corporate Support
PM	**2**	AIFDR-2 Program
PO	**2**	AIFDR-2 Program
Total	**6.5**	

Table 5: AIFDR-2 DFAT staffing - administered

Position	Number	Role
EL 1	**1**	DRU
PM	**1**	DRU
PO	**1**	DRU
Total	**3**	

Table 6: DFAT DRU team - departmental

The GA-TAP program will be implemented by two (2) Geoscience Australia officers, posted to Indonesia under the existing Deployment Support Services to the Government Partnership Fund of Indonesia (DSSI) period offer. The science team will be augmented by a locally hired, outsourced support team which will include hazard modellers, software specialist, GIS specialist, and a DRM specialist. The GA-TAP program includes Canberra-based, fly-in fly-out specialist support as required worked out on a basis of 2 full-time FTE.

The DRM-CREATE program will be implemented by a managing contract / consortium which will be responsible for putting forward a management and implementation team. Indicative technical support positions would include:

- Team Leader
- Operations Manager
- Capacity Development and Training Systems Manager
- Community Resilience Manager
- Knowledge Management and M&E Adviser

Indicative managerial and administration support functions would include finance, human resource development (HRD), Information Technology and Communications (ITC), procurement and events management.

DRM-CREATE will be responsible for managing the outcomes of Indonesian capacity development consultants working with strategic BNPB divisions and directorates and divided into three primary units – Training Support Unit; Policy Support Unit; and DRM Support Unit. At the sub-national level, technical support teams will be established in the demonstration provinces to test and trial the three implementation models, i) End-to-End DRM Capacity and Community Resilience Model; ii) Regional Technical Training Model; iii) Provincial Preparedness for Response Model. These teams will be tailored for specific outcomes. Table 7 provides an overview of key outcomes at the demonstration province level.

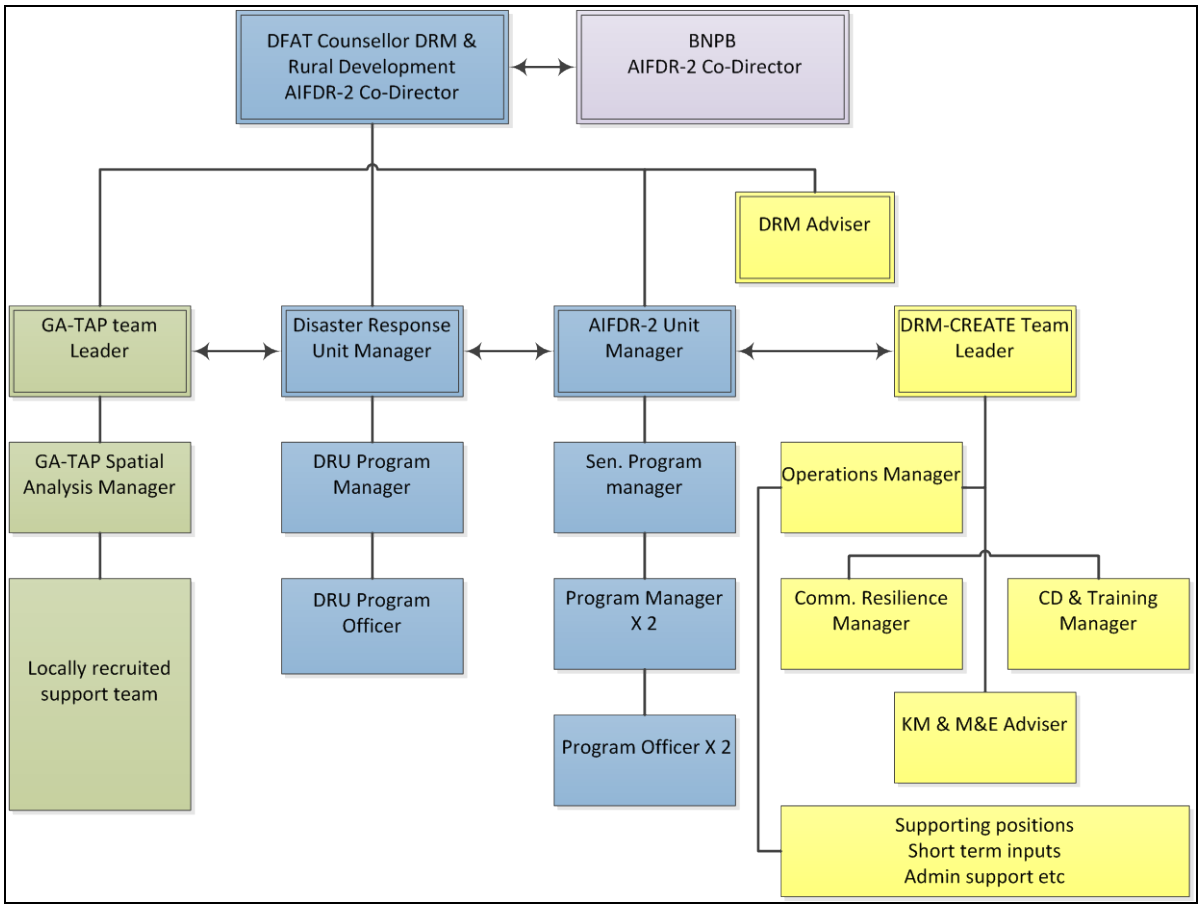
Demonstration Province	Outcomes
NTT & East Java End-to-End Model	Building the DRM capacity of provincial stakeholders with a focus on BPBD; Building the DRM capacity of target district stakeholders with a focus on BPBD; Developing a pool of provincial level DRM training facilitators; Facilitating DRR Forum and working in partnership with selected CSO

	partners; Monitoring and evaluating GoI capacity development and community resilience outcomes; Documenting for knowledge-to-policy purposes.
West Sumatra Regional Technical Training Model	Assisting and supporting BNPB to establish training systems for future UPT-BNPB; Create a functional regional training centre for Sumatra Island; Assisting and supporting BNPB in logistics systems and management.
South Sulawesi & NTT Provincial Preparedness for Response Model	Assisting and supporting the development of provincial-level preparedness for response systems including a functional Emergency Operations Centre.

Table 7: Demonstration Province Outcomes

Figure 11 provides organisational diagram of AIFDR-2. More detail on the roles of specific positions is at ***Annex 2.4***.

Figure 11: Indicative AIFDR-2 Organisational Chart



6.4 Governance Arrangements

AIFDR-2 will build upon the existing partnership between Indonesia and Australia with BNPB representing the GoI and DFAT representing the GoA. In order to support this partnership and ensure that AIFDR-2 is responsive to Indonesian national priorities, the following structures have been agreed with BNPB and will be put into place at inception. These governance arrangements will be reviewed after 12-18 months to ensure that structures, membership and frequency of meetings matches the needs of AIFDR-2.

Technical Working Groups represent current GoI priorities, however may change over the life of the investment.

Figure 12: AIFDR-2 Governance Structure

a) DFAT and BNPB Co-Directors

The DFAT and BNPB Co-Directorship model, which has been in place throughout AIFDR, will continue as a practical expression of the partnership at the operational level. In addition to leading and coordinating the efforts of their respective agencies in relation to AIFDR-2, the Co-Directors will lead on the operational management of AIFDR-2. This includes advising on strategic direction, operational decision-making, monitoring the work plan and, in line with BNPB systems, coordinating endorsements from other sections and/or sub-directorates where required[46]. Both of these positions are part-time in nature. The Australian Co-Director position will be filled by the DFAT Director for Disaster Risk Management and Rural Development. BNPB will nominate the Indonesian Co-Director who will be at a minimum director level within the agency.

46 For example, key decisions for AIPDM programs relating to BNPB sub-activities will require endorsement by Directorate Heads. Where necessary, it will be the role of the Indonesian Co-Director to facilitate these endorsements.

b) Executive Committee

The Executive Committee is a high level committee responsible for providing strategic review of the partnership and investment at the bilateral level and approving the Annual Work Plan. The Executive Committee will meet annually and will be Co-Chaired by the Head of BNPB and the Australian Head of Mission. The Executive Committee will include other high-level GoI officials from BAPPENAS, Ministry of Home Affairs (MoHA), Ministry of Foreign Affairs (MoFA), the Coordinating Ministry for Social Welfare (MenkoKesra) and others as identified. The DFAT and BNPB Co-Directors and the DRM-CREATE Program Team Leader and GA-TAP Team Leader will attend with observer/reporting functions.

c) Steering Committee

A Steering Committee will be responsible for identifying strategic priorities in line with the AIFDR-2 design for the annual planning process, endorsing and proposing the Annual Workplan to the Executive Committee, reviewing and approving major additions or changes to the Workplan, and reviewing and endorsing reports.

The Steering Committee will meet biannually, however out of session meetings may be called at the joint discretion of the Co-Directors, where key discussions or decisions are required.

The BNPB Prime Secretary and Minister Counsellor (Development Cooperation) will Co-Chair the Steering Committee, with membership including BNPB Deputies, Directors of Pusdiklat and Pusdatinmas, and the AIFDR-2 Co-Directors. A Civil Society Organisation representative position will also be filled on a rotating basis. AIFDR-2 Unit Manager, Disaster Response Unit Manager, GA-TAP team leader and DRM-CREATE team leader, as well as specific technical advisers, may attend upon invitation to enable reporting and presentations where relevant.

d) Technical Working Groups

These working groups will be led by MC technical specialists and involve BNPB and CDSP-2 technical staff. They will initially cover capacity development, policy and planning, and community resilience. The technical working groups will be open to other stakeholders and specialists. The working groups will advise the technical steering committee and will be responsible for input into the annual review and planning process. Regular reporting from the working groups will be shared with the AIFDR-2 co-directors. The MC will be responsible for establishing and enabling the working groups, including proposing frequency of meetings etc., in consultation with BNPB and DFAT.

7. Implementation Strategies

7.1 Transitional Arrangements

AIFDR entered into a transition period from 1 July 2013. During this time the focus of AIFDR and BNPB has been:

- Monitoring and completing activities of AIFDR-1;
- Continuing capacity building and service delivery support for BNPB and BPBD in 4 provinces;
- Continuing to support the development of earthquake and tsunami science capacities and the development and implementation of tools and resources including *InaSAFE* and *OSM*;
- Commencing base line analyses and data collection for AIFDR-2;
- Testing district organisational assessment and political economy analysis tools for roll out into AIFDR-2;

- DRU activities consolidated within AIFDR-2 investment direction;
- AIFDR completion and closure reporting.

AIFDR-2 will officially begin operations in the 2015/2016 financial year. However, Geoscience Australia staff will be mobilised in 2014/2015 and commence transition activities for the new GA-TAP program as agreed under Record of Understanding (RoU) between Geoscience Australia and DFAT. Existing staff will be expected to manage the DRM-CREATE Request for Tender process and will continue to manage a range of strategic activities while the tender process is ongoing. With the commencement of DRM-CREATE in 2015, the revised AIFDR-2 staffing structure and governance arrangements will come into full effect. For more detail can be found at ***Annex 2.1: Year One Deliverables***.

7.2 Annual Review and Planning Processes

AIFDR-2 will be delivered in a highly dynamic and complex environment. Much of the AIFDR-2 investment is about innovation and demonstrating effective approaches for DRM. AIFDR-2 requires a flexible approach to program implementation planning to ensure that it continues to respond to the contexts in which it is operating. If the intermediate outcomes featured in this design lose relevance, including the implementation strategies to achieve them, then changes will be made. This needs to be well managed through a mutually defined annual planning process based on annual reviews, analysis of GoI priorities and transparent discussion.

Annual planning will be informed by a systematic performance review of AIFDR-2 programs for the preceding year in addition to cumulative achievements over the life of the investment. An annual M&E Review process will consider the overall performance of different aspects of the investment – particularly DRM-CREATE and GA-TAP outcomes - and will include an emphasis on the continuing relevance of the investment outcomes to the needs of communities and stakeholders; and continuing relevance of the investment theory and implementation strategies. Proposals for change will be supported by a sound rationale, based on quality analyses, and informed by credible information. Forward activity planning will be based on the annual M&E review and will reflect the current or updated investment theory, and resources available. All changes will be made in accordance with the governance arrangements including agreement of the Technical Steering Committee. Annual plans will be then presented to the Executive Committee for approval.

7.3 Sustainability

AIFDR-2 has been designed to deliver outcomes at three levels: national, sub-national and community. Sustainability factors therefore need to be considered at each level, and also in the interactions between them.

At the government level, responsibility for DRM policy and the accountable implementation of this policy will contribute to sustainability, while at the community level an understanding of rights and basic knowledge and skills for self-reliance and resilience, and opportunities to participate in DRM planning and decision making, will lead to greater community resilience and the integration of gender equity and social inclusion.

In line with the theory of change, the linkages between the national, sub-national and community levels will be important for sustained impact. The creation of interactions and linkages between stakeholders, forums and information and knowledge sharing platforms is expected to provide a two-way conduit through which policy and practice, and demand for service and support, can be more effectively addressed.

Annex 2.7 provides a detailed Sustainability Factors Analysis and discusses a range of strategies and approaches which have been integrated within the AIFDR-2 design to promote sustainability. These include:

- **Government and Civil Society Ownership:** taking responsibility for implementation, motivation and incentives, and accountability (upward, downward and horizontally);
- **Capacity:** financial, institutional, absorptive capacity; use of appropriate technology; and realistic time horizons.

The focus on knowledge-to-policy to support expanded impact and replication of good practices and effective program models further supports sustainability.

The MC/consortium selected to implement the flagship DRM-CREATE program will be expected to work with the DFAT AIFDR-2 team and the GA-TAP science team to develop an overarching sustainability strategy. This will be reviewed before being included into the Annual Planning process. The strategy will be a living document that will be reviewed and updated to reflect the changing context.

8. Monitoring, Evaluation and Learning

8.1 Introduction

AIFDR-2 is about identifying successful approaches to DRM in context, and using those lessons to encourage replication and expanded impact. To achieve this, between July – December 2014 AIFDR-2 will design a knowledge-to-policy strategy that will be reviewed in early 2015 with the incoming MC responsible for the DRM-CREATE program. In addition to general monitoring and evaluation, AIFDR-2 will require additional emphasis on the generation of credible information (knowledge) to inform policy and practice decisions. An iterative and adaptive learning process will be adopted by AIFDR-2, taking advantage of sub-national demonstrator model supported by AIFDR-2 and learning from other relevant DFAT programs. Mixed methodologies will be promoted drawing upon quantitative and qualitative approaches.

Monitoring and evaluation activities will be divided into three main streams:

1) Monitoring and evaluation of general implementation of AIFDR-2 programs in line with intermediate outcomes – DRM-CREATE, GA-TAP, DRU response and recovery activities, and grants to international humanitarian and regional DRM partners. This information will be drawn together into the Annual M&E Review process. The DFAT AIFDR-2 team will be responsible for populating the M&E framework and independent, short-term external M&E specialisation will be used to help analyse and compile the Annual M&E reviews;

2) Specific monitoring and evaluation of the knowledge-to-policy strategy to identify areas where AIFDR-2 practice has had impact on policy formulation or review. This role will be fulfilled by the DRM-CREATE Knowledge Management and M&E Adviser;

3) Monitoring and evaluation of key components. The MC/consortium will be responsible for the DRM-CREATE M&E system, while Geoscience Australia will be responsible for day-to-day monitoring and evaluation of GA-TAP deliverables.

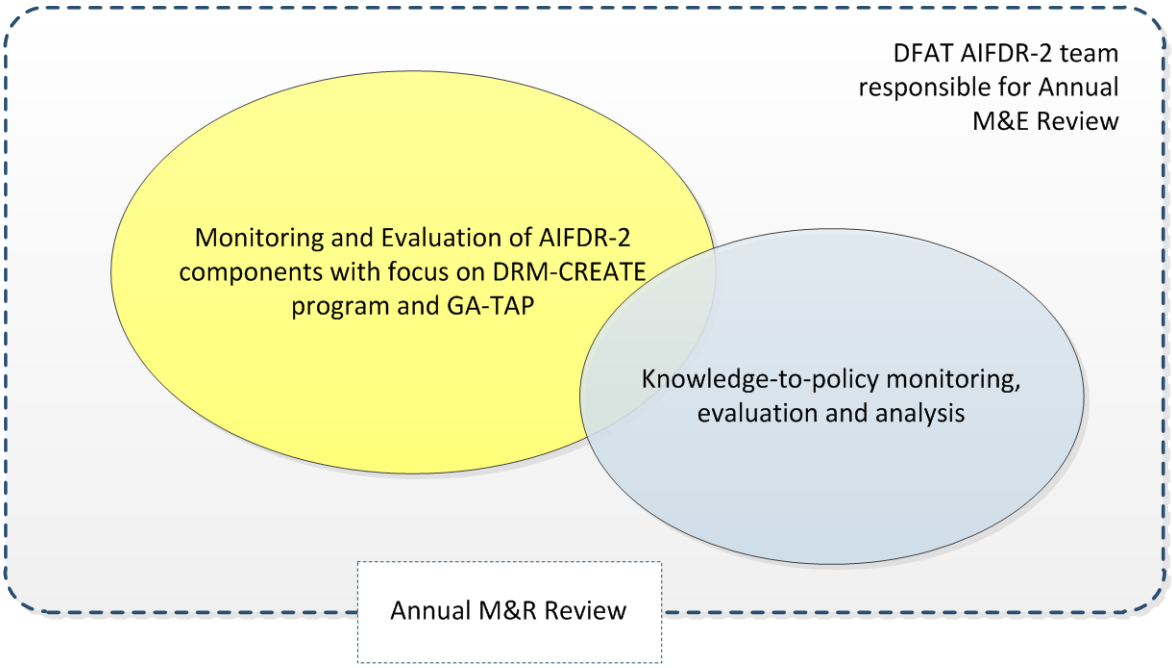
Figure 13 outlines the interaction between the three M&E streams.

8.1 Monitoring, Evaluation and Reporting

DFAT has standards[47] to guide the development and implementation of Monitoring and Evaluation Systems for programs and investments. AIFDR-2 will be held accountable to meet these standards, with the support and advice where required from DFAT's Performance and Quality Unit.

Sufficient budget will be allocated over the life of AIFDR-2 for the design and implementation of the AIFDR-2 M&E system. During the first six months of AIFDR-2, an M&E specialist will be engaged to develop the M&E Plan for the broader AIFDR-2 investment. This will meet the DFAT M&E Standard 2: Program Monitoring and Evaluation Systems. The DRM-CREATE program, due to begin in early 2015, will engage a Knowledge Management and M&E Advisor responsible for linking capacity development and community resilience outcomes to the M&E Plan and integrating with the broader AIFDR-2 investment through the capture of knowledge-to-policy outcomes.

Figure 13: AIFDR-2 Monitoring and Evaluation



High level results in Table 8 will be included in the M&E Plan as well as key risks that require monitoring. The M&E Plan will be tightly linked to the knowledge-to-policy strategy. Annual reviews of the M&E Plan will be necessary as AIFDR-2 evolves.

Results	Notes on methods
High Level Outcomes	
% of 200 target villages that demonstrate effective preparedness and mitigation of disasters	Tools to define required elements to determine effective behaviour change as described under EOIO1. Survey with probability sampling. Quasi-experimental design (pre-post test with control). Supported by exploratory studies to understand key factors accounting for outcomes. Case studies and Most Significant Change monitoring. Monitoring links to Frontline service delivery.
% of 200 target villages who demonstrate	Tools to define required elements to determine effective

47 DFAT IET-Pacific Branch M&E Standards (updated annually).

gender equity and social inclusion outcomes including the proportion of women and people with disabilities represented in village DRM teams and number of village DRM plans that effectively integrate the needs, perspectives and interests of women, people with disabilities and other vulnerable groups	behaviour change as described under EOIO1. Survey with probability sampling. Quasi-experimental design (pre-post test with control). Supported by exploratory studies to understand key factors accounting for outcomes. Case studies and Most Significant Change monitoring. Monitoring links to gender and social-inclusion sensitive Frontline service delivery.
Number of 4 provincial and 20 target district governments that are prepared to deliver an effective, timely and coordinated disaster response	Tools to define required elements to determine effective behaviour change as described under EOIO2. Organisational performance assessment of all districts using quasi-experimental design (pre-post test with control). Supported by exploratory studies to understand key factors accounting for performance. Monitoring links to Frontline service delivery.
% of target provinces and districts that integrate the needs, perspectives and interests of women, people with disabilities and other vulnerable groups into sub-national DRM planning instruments	Tools to define required elements to determine effective behaviour change as described under EOIO2. Organisational performance assessment of all districts using quasi-experimental design (pre-post with control). Supported by exploratory studies to understand key factors accounting for performance. Monitoring links to Frontline service delivery.
Number of provincial Emergency Operations Centres that are operating effectively	Tools to define required elements to determine effective EOC operation as described under EOIO2. Facility survey and performance assessment of each EOC (pre-post test) supported by exploratory studies to understand key factors accounting for performance.
Number of non-program communities who adopt effective practices for DRM	Tools to define required elements of adoption. Exploratory studies tracing knowledge-to-policy outcomes in addition to local level diffusion mechanisms.
Number of non-program provinces / districts who adopt effective practices for DRM	Tools to define required elements of adoption. Exploratory studies tracing knowledge-to-policy outcomes in addition to local level diffusion mechanisms.

Table 8: AIFDR-2 High Level Results

M&E findings that are relevant to replicating or leveraging DRM policies or practice through the knowledge-to-practice strategy will be packaged for communication by the DRM-CREATE Knowledge Management and M&E Adviser in a format that is fit for purpose. Findings will be fed into the Annual M&E Reviews.

The Annual M&E Review is a synthesis of all information generated from the M&E system and will provide evidence to support claims of achievement or analyses of performance. This review will be submitted in time for the generation of the AIFDR-2 Annual Report and consequently the DFAT quality and reporting frameworks. The AIFDR-2 annual report will meet the DFAT M&E Standard 3: Progress Reporting.

The DFAT AIFDR-2 team in partnership with the GA-TAP and DRM-CREATE implementation teams will be responsible for preparing reports for the biannual Steering Committee meetings. These reports will address expenditure against budget and an analysis of significant variations; a summary of key activities delivered in the reporting period; an assessment of the adequacy of progress against

the annual work plan and an analysis of any significant variations. This report will also include relevant financial reporting requirements for BNPB[48]. Emerging risks will be identified and analysed.

9. Risk Monitoring

Risk monitoring and management will be fully integrated within management systems and replicated at all levels - AIFDR-2, MC, government and civil society organisation partners. Key risks will be monitored through the formal monitoring and evaluation system. This information will be supplemented by well-informed professional judgment, during operational and strategic planning, and with the support of the DFAT Jakarta Risk and Fraud Unit, during operational and strategic planning. Risks will be discussed routinely with key stakeholders, especially the Steering Committee. The management of risk will be integrated into day-to-day management (daily, weekly or monthly as appropriate), and will be systematically and carefully addressed during annual planning processes. This means that after reviewing information on existing and emerging risks from a variety of sources, implementation teams will determine the status of those risks. Control or treatments will be assessed for their continued relevance and effectiveness, and new treatments designed where necessary. Expected residual risks will be estimated and communicated.

Reporting of relevant risks will be integrated into six monthly and annual progress reports, as well as informal team meetings and discussions. All significant risks or important developments will be escalated immediately to the appropriate level within AIFDR-2, to partners, within DFAT or the wider AIFDR-2-GoI partnership.

Key risks to achieving sustained outcomes discussed in the AIFDR-2 Risk Register include:

1. Local administrations and BPBDs do not invest sufficient resources to allow replication or expanded impact of effective practices to non-program locations;
2. The linkages or functional partnerships required at the local level to ensure CBDRM is a viable approach to disaster management in Indonesia cannot be established or sustained;
3. A large disaster occurs due to a hazard that is not addressed by the investment, or in geographic locations outside of AIFDR-2 priorities, thus drawing away GoI and GoA resources for potentially long periods of time while a disaster response and recovery is carried out;
4. The provision of grants to local level NGOs and CSOs present opportunities for fraud or corruption.

The Risk Register can be found at ***Annex 2.3***.

10. Budget

The total budget allocation for AIFDR-2 over five years is $70 million. An indicative budget is provided in ***Annex 2.2***.

The AIFDR-2 design balances the successful elements of the first phase of AIFDR into a manageable and structured program. Figures 14 and 15 show the difference in spending profiles between the first phase of AIFDR and AIFDR-2 based on programming budget estimates (i.e. do not include operational costs), and provides an indication of key investment decisions based on the lessons both from AIFDR-1 and from the DFAT development cooperation program in Indonesia more broadly.

48 The *Berita Acara Serah Terima* (BAST) is a reporting requirement to partner government agency (e.g. BNPB) to be provided by each donor at completion of each activity.

Figure 14: Spending profile of AIFDR-1

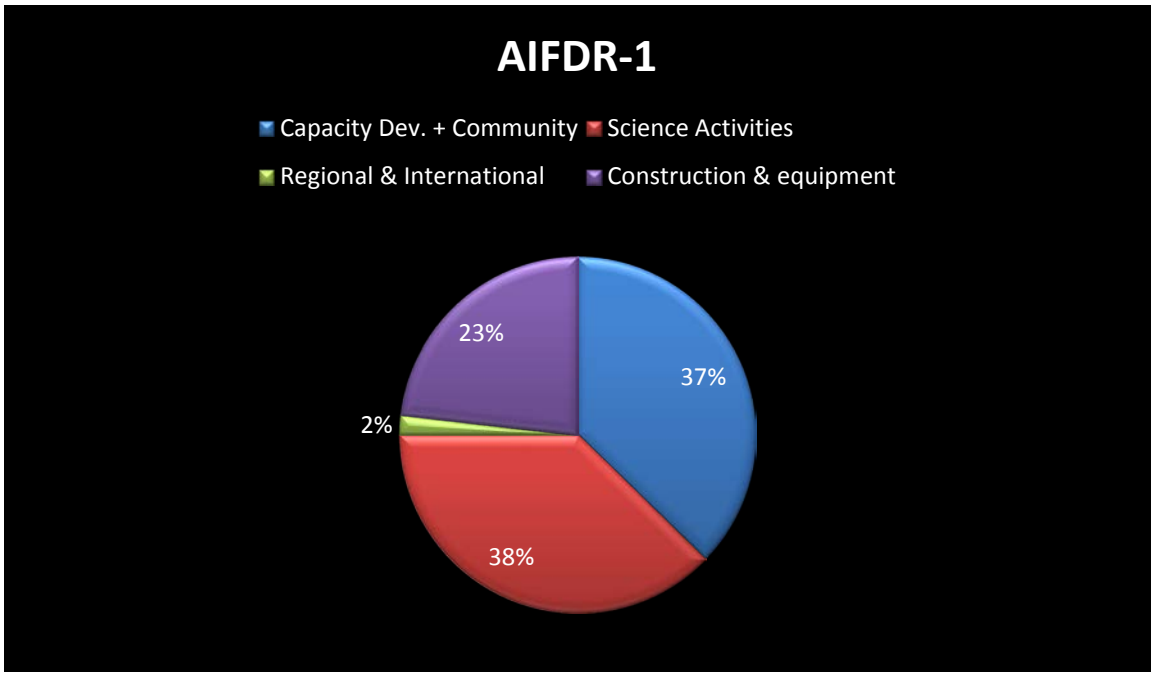
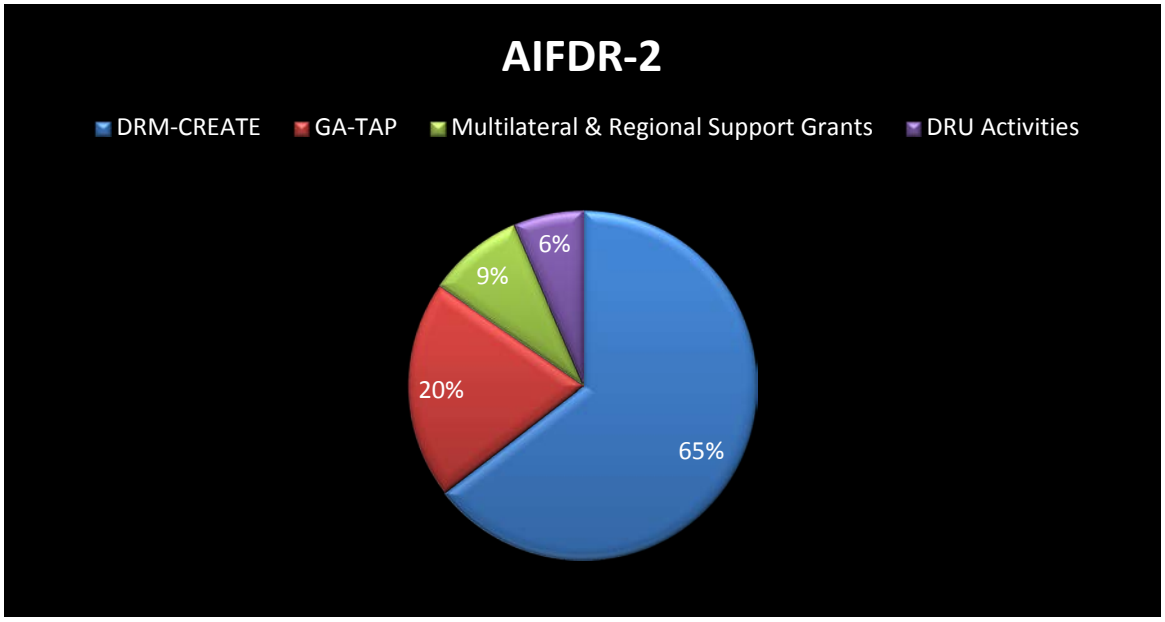


Figure 15: Proposed spending profile of the new AIFDR-2



11. Cross-cutting Issues and Safeguards

AIFDR-2 will actively support compliance with relevant Australian government policy guidance and ensure that crosscutting issues including gender equality and social inclusion, child protection, disability inclusive development, DRR, climate change, the environment and displacement and resettlement are manifest at all levels of engagement and programming. This includes work undertaken by DFAT and GA staff and the MC, contractors, civil society organisations and GoI partners.

11.1 Gender Equality and Social Inclusion

Women (especially pregnant and lactating women, and female heads of households), people living with disability, children, young people, the elderly, minorities, excluded and marginalised groups (including those living with HIV) often have increased yet different vulnerabilities and needs in relation to disaster. For example, they may have limited mobility, not be included as individuals within village population records or may have limited visibility within community forums.

Inclusive development is a priority for the DFAT Development Cooperation program, and a series of cross cutting policies are relevant for promoting access and the participation of all citizens in development opportunities[49]. The 2011 Thematic Strategy *Promoting opportunities for all: Gender equality and women's empowerment,* identifies four pillars including the need for increasing women's voice in decision-making and leadership, and ending violence against women and girls at home, in their communities and in disaster and conflict situations. Inclusion is also a DRM priority for the GoI through the National Disaster Management Plan (NDMP).

Analysis undertaken as part of the design has reinforced the fact that gender equity and social inclusion has serious implications for DRM:

> When people are not included as active stakeholders with a voice in planning and implementation nor as recipients of support to meet their specific needs for preparedness, response and recovery, the likely effect is that interventions are more likely to treat the needs and preferences of men and/or the elite, as the standard for service delivery and be less effective[50].

AIFDR-2 and its partners will implement a range of strategies to ensure the promotion of gender equality and socially inclusive DRM policy and practice. Expertise on gender and social inclusion in DRM will be introduced to support BNPB in responding to the NDMP by developing an institutional strategy for gender mainstreaming. It will seek to work with CSOs that represent broad consitiutuencies including those for minority or excluded groups, and integrate disaggregated data collection systems in all program activities with particular focus on EOCs and at the community level. Efforts will be made to integrate social inclusion into the development of local policy and regulations (*Perda*) and promote inclusive practices in Hazard, Capacity and Vulnerability Assessments (HCVA), simulations, disaster scenario and planning. Community based work will focus on ensuring that vulnerable and marginalised individuals and groups are able to exercise their right to participate in DRM planning. It will create spaces for them to have a voice and build their capacity to hold government and the broader community accountable for ensuring that strategies and the allocation of resources are sufficient. This strategy is important to address their realities so that the community as a whole is able to develop resilience.

11.2 Child Protection

DFAT's Child Protection Policy (2009)[51] is specific in its directions and guidelines for the whole of Australian's aid program and applies to all contractors and agencies funded by the Australian Government, who are held accountable for adherence to the policy through contracts and audit. The overall policy goal is to protect children from abuse of all kinds in the delivery of Australian aid. It contains four guiding principles:

5. Zero tolerance of child abuse;
6. Recognition of children's interests;

49 AusAID 2011e, *Promoting opportunities for all: Gender equality and women's empowerment*. (See also AusAID 2007, *Gender Equality in Australia's Aid Program;* AusAID 2009*, Development for All*; and AusAID 2009, *Intensifying the Response*).

50 Shatifan 2013, p.7.

51 AusAID 2013b, *Child Protection Policy*.

7. Sharing responsibility for child protection; and
8. Use of a risk management approach.

Child protection is an overarching issue that requires special analysis based on "Do No Harm" and international child protection principles. As called for within the Child Protection Policy, AIFDR-2 and its associated activities must lead by example. AIFDR-2, its contractors and partners will take a shared responsibility for child protection in all programs particularly where partners are working directly with communities, families, children and young people.

Child protection policy and procedures will be put into place for all activities. Partner recruitment and human resource management policies will reflect child protection measures. All partners will be required to integrate child protection into their activities and to actively encourage awareness of, and learning about, child protection.

11.3 Displacement and Resettlement

Safeguarding the interests of vulnerable people is a key outcome for DFAT. The Australian Government recognises that, where displacement and population resettlement occur as a result of a development activity, there is significant risk that vulnerable groups may be materially and socially impoverished unless appropriate measures are carefully considered and conducted.

Resettlement is a reality in the disaster risk reduction environment, especially where policy decisions are made to protect vulnerable people by moving them from areas at high risk to protect them from disaster. One of the key challenges for Indonesia is that some of the most vulnerable live in these highest risk areas. For example, in urban Jakarta some of the city's poorest residents live by the banks of rivers which swell and flood each rain season. Any policy that considers resettlement as a solution needs to be implemented in a manner that avoids causing displacement and further suffering of people. The poor and near-poor can be removed from their livelihoods or lose their claim to land rights. DFAT's policy on displacement and resettlement of people in development activities encourages resettlement planning that allows the impacts of displacement to be mitigated and development opportunities to be created for those who have been affected. The key principles that underpin DFAT's approach to project-related displacement and resettlement include:

- Avoid resettlement where feasible;
- Minimise resettlement where population displacement is unavoidable; and
- Work to ensure displaced people receive assistance so that they would be at least as well off as they would have been in the absence of the project.

In Indonesia, particularly densely populated islands such as Java, populations often have little choice but to live in high-risk areas and the options for resettlement are limited. However, scarcity of land also raise the potential for communities to be forcibly removed from their land under the auspices of development-related activities, while in fact the land is used for profit making purposes. Such tactics were common in the past; however democracy in Indonesia now affords greater rights to the population.

Project-related displacement is not an anticipated concern for AIFDR-2, however internal displacement as a result of natural disaster within AIFDR-2 demonstration provinces is a high possibility. In line with the guiding principles of DFAT's Humanitarian Action Policy, AIFDR-2 and its partners' actions will be informed by respect for international humanitarian law, refugee law and human rights law in the provision of humanitarian action and the protection of populations affected by humanitarian crises. This includes protection provisions for internally displaced populations.

DFAT's principles and objectives of displacement and resettlement in development activities should be applied to activities that use resettlement as a proactive strategy to improve peoples' lives. These include Build Back Better disaster recovery and reconstruction programs, which identify the social

and structural causes of damage and ensure reconstruction does not repeat the same vulnerabilities, or urban development schemes that aim to resettle vulnerable people in disaster-prone areas into safer, more economically resilient communities.

11.4 Environment

The Australian Government is legally obliged under the Environment Protection and Biodiversity Conservation Act (1999) to ensure that through its international aid work, it is not causing, or likely to cause, a significant negative impact on the environment. The Environment Management Guide for Australia's Aid Program 2012[52] outlines what practical steps DFAT and its development partners can take to integrate environment considerations into the aid program and ensure that potential environmental risks can be assessed and managed.

While there are no immediate concerns that AIFDR-2 will have a significant impact on the environment, good environmental management has a direct link with DRM and therefore requires consideration as a key cross cutting issue. DFAT and its AIFDR-2 partners at all levels will work together to meet the legal and policy obligations above by developing a shared understanding amongst all partners of how environmental and climate change impact upon development and DRM more specifically; actively assess and manage environment risks at implementation; ensure that resources are not used in ways that are harmful to the environment; continually seek to improve environment performance at all levels of program delivery; and integrate environmental considerations into policy initiatives as appropriate. Where construction activities are undertaken Environmental Assessment will be required.

11.5 Fraud and Corruption

DFAT's policy on anti-corruption defines corruption as the misuse of entrusted power for private gain and recognises the severity of corruption on a worldwide basis and its potential to spoil development efforts. It calls for the building of constituencies for anti-corruption reform, reducing the opportunities for corruption and changing incentives for corrupt behaviour[53].

In line with obligations outlined within the DFAT Fraud Policy (2011)[54], Commonwealth Fraud Guidelines (2011), Procurement Policy Framework (2009) and the Financial Management and Accountability Act (1999) the prevention, detection and investigation of fraud is a responsibility of all Australian Government staff, contractors and partners. AIFDR-2 will clearly contribute to reducing opportunities for fraud and corruption, through careful, transparent and accountable selection of partners, careful design and implementation of program activities, effective measurement of results and diligent contractual management, and robust monitoring and evaluation of programs. Measures to strengthen accountability and prevent fraud and corruption will be implicit at all levels of the AIFDR-2 partnership. This should include external audit and program level audit mechanisms, ensuring transparency between all partners including CSOs and their beneficiaries, and undertaking concrete actions on fraudulent use of funding among others.

52 AusAID 2012f, *Environment Management Guide for Australia's Aid Program.*

53 AusAID 2013e, *AusAID Policy on Anti-corruption*.

54 AusAID 2012c, *AusAID's Fraud Policy Statement.*