



United Nations Human Settlements Programme

Programme des Nations Unies pour les établissements humains

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PRESS REALESE

ADB to Accelerate Housing Reconstruction in Aceh and Nias

Press Release - Asian Development Bank

Aug. 31 2006

ADB has signed agreements with five international organizations to accelerate its program to build houses in earthquake and tsunami affected Aceh and Nias.

Housing remains a top priority for the international community and the Badan Rehabilitasi dan Rekonstruksi (BRR), the Government agency coordinating the overall reconstruction program, following the December 2004 tsunami disaster and the March 2005 earthquake. The five agreements will involve the construction of about 2,700 new houses and rehabilitation of 900, to be completed by September 2007.

The agreements, worth about US\$25 million, were signed with Muslim Aid of the UK, Help eV and German Agro Action (DWHH) of Germany, Cordaid of The Netherlands, and the United Nations Center for Human Settlements (UN-HABITAT). The houses will be built in Pidie, Simeulue, Biruen, and Nias.

"These agreements highlight ADB's continued commitment to the reconstruction and rehabilitation of Aceh and Nias in coordination with the overall reconstruction program tasked to BRR," says Edgar Cua, ADB Country Director in Indonesia.

ADB aims to finance the building at least 7,000 new and the rehabilitation of 1,500 houses in affected areas. It is using on-budget and off-budget mechanisms to complete the houses by 2007.

Housing constitutes about one quarter of ADB's overall emergency grant of \$300 million provided to Indonesia in April 2005 for the tsunami and earthquake reconstruction effort.

Under the total ADB allocation of \$72.5 million for housing from the grant, BRR will act as both the executing and implementing agency for almost half. The balance will be undertaken with the support of international organizations. ADB is in discussions with other agencies for the construction of another 1,000 houses.

As with all activities financed from the ADB grant, the construction of the houses will be in full compliance with applicable environmental and social safeguards requirements consistent with ADB policies.

"Completing the houses is vital to improving the living conditions of the people of Aceh and Nias," says Pieter Smidt, Head of ADB's Extended Mission in North Sumatera. "It is an important step in helping to reestablish the lives and livelihood of the tsunami and earthquake victims."