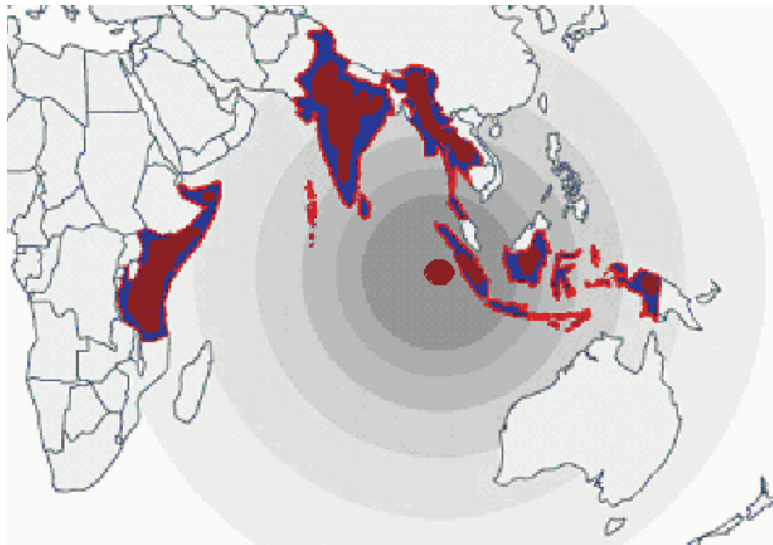


Tsunami Evaluation Coalition (TEC)

The International Community's Funding of the Tsunami Emergency and Relief



Government Funding

Germany

Peter Wolff

June 2006

Contents

Abbreviations

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Abbreviations

| | |
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| AA | Federal Foreign Office |
| BMBF | Federal Ministry of Education and Research |
| BMI | Federal Ministry of the Interior |
| BMU | Federal Ministry for the Environment, Nature Conservation and Nuclear Safety |
| BMVBW | Federal Ministry of Transport, Building and Housing |
| BMVEL | Federal Ministry of Consumer Protection, Food and Agriculture |
| BMVg | Federal Ministry of Defense |
| BMZ | Federal Ministry for Economic Cooperation and Development |
| BRR | Indonesian Executive Agency for the rehabilitation and reconstruction in Aceh and Nias Island |
| CCF | Christian Children's Fund |
| CIM | Center for International Migration and Development |
| CSO | Civil Society Organizations |
| DED | German Development Service (Volunteer Service) |
| DWHH | German Agro Action / Deutsche Welthungerhilfe |
| EED | Protestant Development Service |
| FAO | Food and Agriculture Organization |
| FC | Financial Cooperation |
| FES | Friedrich Ebert Foundation |
| GFZ | Geo Research Institute Potsdam |
| GHDP | Good Humanitarian Donorship Principles |
| GTZ | German Technical Cooperation |
| HBS | Heinrich Böll Foundation |
| InWEnt | Capacity Building International, Germany |
| IOM | International Organization for Migration |
| KAS | Konrad Adenauer Foundation |
| KfW | German Development Bank |
| KZE | Catholic Development Service |
| MDTF | Multi Donor Trust Fund |
| MoF | Ministry of Finance |
| NGO | Non governmental Organization |
| OCHA | United Nations Office for Coordination of Humanitarian Affairs |
| SKEW | Service Agency "Communities in One World" |
| TC | Technical Cooperation |
| THW | Technisches Hilfswerk / German Federal Agency for Technical Relief |
| UN | United Nations |
| UNDP | United Nations Development Program |
| UNEP | United Nations Environment Program |
| UNFPA | United Nations Population Fund |
| UNHCR | United Nations High Commissioner for Refugees |
| WFP | World Food Program |
| WHO | World Health Organization |

Summary

Of the 520 million € pledged as tsunami response funds by the German government in January 2005, 295 million € were committed in 2005, the rest to be committed in the budget 2006. It appears that more than 140 million € will have been disbursed by the end of 2005 as has been foreseen in the planning framework.

70% of the funds committed in 2005 are allocated for reconstruction, to be disbursed over a period of five years. 30% have been committed and disbursed for humanitarian and emergency aid in 2005.

About 20% of the committed funds have been channelled through the multilateral system, with the UN Flash Appeal most prominent (50 million €).

The funds committed for the tsunami response have been mobilized in addition to the regular budgetary funds for humanitarian aid and development assistance in 2005. There was only a temporary reallocation of funds from existing budgets prior to the legally binding provision of additional funds by the parliament in May 2005. Thus, humanitarian aid and development assistance to other countries were not affected by the tsunami funding in 2005.

The funding has been needs-based to the extent that existing needs assessments have been taken into account and local structures of German development cooperation and NGOs have been used for supporting local needs assessments and feeding relevant information into the decision-making process at headquarters. In the first weeks of the response, however, decisions on emergency operations were supply driven to a certain extent, taking into account the time needed for more precise needs assessments.

Most of the funds allocated for reconstruction purposes can be regarded as a temporary extension of the long-standing bilateral development assistance programs for Indonesia and Sri Lanka and are allocated through the established channels of the German aid system. The strong bilateral focus of the reconstruction response can be justified by the available structures and knowledge of German agencies in the two most affected countries and the partner Governments' request for this assistance. The effectiveness of this approach in comparison to the funds allocated to multilateral agencies can be judged only in a more advanced stage of the reconstruction programs in Indonesia and Sri Lanka.

As far as the funds committed in 2005 have been allocated to humanitarian aid, they have adhered to the principles of Good Humanitarian Donorship, since they were allocated to UN agencies, NGOs and government agencies with a well-established track record in humanitarian aid operations.

As far as the funds have been allocated for reconstruction purposes, their effective, efficient and sustainable use can be determined only at a later stage of implementation. In view of the multiplicity of agencies involved it appears that there can be no generalization; instead each project is judged on its own merits. It appears that the planning of reconstruction support has been integrated well with the local Master Plans for reconstruction of the Tsunami-affected regions in Indonesia and Sri Lanka. This integration into national and local reconstruction programs has to be insured as the planning process is going forward.

I. Introduction

This report is a contribution to the overall evaluation by the Tsunami Evaluation Coalition (TEC) of the international communities' response to the tsunami catastrophe in December 2004. The overall evaluation covers the funding response of the various governments, UN agencies and NGOs to the tsunami emergency and relief. This report, commissioned by the Federal Ministry for Economic Cooperation and Development (BMZ), covers the funding flows of the German Government as a key donor in the response to the tsunami. The report has been written by Peter Wolff, German Development Institute, with support from Carmen Lopera Kovermann.

According to the TOR the purpose of the sub-study on German Government funding is to:

- Document the amount of pledges, commitments and disbursements made by the government in the months following the tsunami. Analyze whether commitments represent new funding or reallocated funding.
- Show to which countries and to which agencies commitments have been made. Comment on where these commitments correspond to agency and affected-state identified programming.
- Commitment mechanisms – identify mechanisms used by donors to disburse funds.
- Of these commitments, what has actually been spent? How well has spending in these first months been prioritized? What was spent in kind? To what extent was military assistance involved?

The data being subject to evaluation consists of descriptive and financial information on pledges, commitments and disbursements, formal agreements with the affected countries, as well as information on selected project, as gathered by the evaluation team in September and October 2005.

The report is presented in a structure common to all the sub-studies commissioned as part of the funding evaluation. Consequently, the report at hand does not constitute a traditional stand-alone evaluation report, but is written in a format, which facilitates the purpose of synthesizing and cross-country comparison.

II. Methodology

The study is based on data and information provided by the Federal Ministry of Economic Cooperation and Development, the Federal Ministry of Foreign Affairs as well as other ministries involved in the response to the tsunami. The data provided was analyzed according to the TOR and transformed into the spreadsheet formats according to the requirements of the overall evaluation.

The desk research was complemented by interviews with officials from the relevant ministries in person or by phone.

There was no cross-check, however, with the recipients of the funding in order to confirm that the commitments as stated in the official documents have been disbursed accordingly and to obtain more information on processes including criteria for cooperation.

III. Description of the response

On January 5, 2005, the German government pledged an amount of 634.27 US \$ (500 million €)¹ for emergency aid and reconstruction support to the regions affected by the Tsunami. The pledged amount was to be disbursed over a period of up to five years (2005 – 2009). Additionally, 25.37 million US \$ (20 million €) in humanitarian aid from the respective funds of the Federal Foreign Office were committed.

With the background of the extraordinary response to the Tsunami by the German public, the government wanted to show a strong commitment not only to its own constituency but also to the international community at large.

Taking into account the critical budgetary situation in Germany, 2005 being the fourth year of missing the Maastricht budget ceilings, and the stagnating expenditures for humanitarian aid and development assistance over the years, the pledged amount can be regarded as high.

For the allocation of funds the following strategic principles were applied²:

- The funds were to be additional, not affecting the current budgets for humanitarian aid (administered by the Federal Foreign Office/AA) and development assistance (administered by the Federal Ministry for Economic Cooperation and Development/BMZ). Thus, extraordinary expenditures would have to be committed through the respective parliamentary process.
- All funds were to be provided as grants.
- The major part of the funds was to be used for reconstruction, with only a smaller part allocated for humanitarian and emergency relief. The rationale for this decision was that considerable sums donated by the German public were to be used for immediate emergency assistance, the comparative advantage of state funding mechanisms and channels lying rather in the areas of rehabilitation and sustainable reconstruction. Another reason might have been that only a smaller part of the pledged amount could be mobilized in the short-term and thus could be used for emergency assistance.

¹ In this report all figures are in US\$ with the amount in € in brackets, based on the DAC/OECD average exchange rate for January-August 2005 (1 US \$ = 0,7883 €)

² see: Report of the Ministry of Finance to the parliamentary budget commission on reconstruction aid for the Tsunami affected countries, May 4, 2005 (in German)

- There was to be a strong focus on Indonesia and Sri Lanka since Thailand and India did not request any state funding from Germany. Relief for the Maldives, Burma and the affected African countries was to be taken care of by the support to the multilateral system or by private organizations.
- Since the majority of funds was to be used for reconstruction purposes in a period of up to five years, it was decided that the BMZ should take the main responsibility for the allocation and the management of funds, with other ministries contributing with their specific expertise. Thus, the larger part of the official Tsunami response can be regarded as an add-on to the development assistance programs with Indonesia and Sri Lanka.
- The majority of official funds were to be channelled through the bilateral aid system, with a smaller part to be allocated through multilateral channels. The rationale for this decision was that both in Indonesia and Sri Lanka German development assistance was running well established aid programs with most of the German aid agencies (including NGOs) being present locally and having established already long-lasting working relationships with local state and non-state actors³. Another reason was the governments' perception that the general public would expect the government itself to take full responsibility for the effective and efficient use of funds.
- The German contribution was to be conflict sensitive and sustainable, with disaster mitigation and prevention as a particular feature. The contributions were to be implemented in the framework of multi-year programs to be agreed upon with the governments of Indonesia and Sri Lanka in 2005 (for 2005 – 2008) and 2006 (for 2006-2009), based on available needs assessments⁴ as well as donor coordination mechanisms.
- Due to the long-standing practice in German development cooperation, funds have to be earmarked for specific purposes. Therefore, even if the funds were allocated through multilateral agencies or multi-donor trust funds, they were to be tied to specific measures.

In the following chapter the allocation and disbursement of the pledged funds is shown in detail. The information used is based on data sources and interviews in the BMZ and AA. Further information was collected in other contributing ministries as well as from Federal States.

³ This refers to Indonesia and Sri Lanka in general, but not for Aceh

⁴ Such as the joint Preliminary Damage and Needs Assessment of the World Bank, Asian Development Bank (ADB) and Japan Bank for International Cooperation (JBIC)

IV. Overall allocation and disbursement

4.1 Differentiation between humanitarian aid, development-orientated emergency aid and reconstruction assistance

Humanitarian aid

In the German system humanitarian aid is mainly provided through the budget of the Federal Foreign Office in the amount of 50-60 million € per year. Emergency food aid is provided by BMZ.

Humanitarian aid is defined as assistance to people in need of external help to overcome an emergency. The reason for an emergency situation can be a natural disaster or a manmade disaster like a chemical accident or war. Humanitarian assistance provided by Germany is guided by the principles of political, ethnical and religious impartiality. The main aim is to assist people affected by crises, conflicts or disasters. Humanitarian aid is provided as grants and is not tied to any political conditionality.

The German Federal Government acts on humanitarian principles called the *Twelve Rules of Humanitarian Aid* which have much in common with the *Good Humanitarian Donorship Principles* (GHDP).

Development-orientated emergency and transition aid

The link between humanitarian aid and development cooperation or reconstruction is the so called development-orientated emergency and transition aid, which is provided by the BMZ. Development-orientated emergency and transition aid aims to minimize the effects of the crises on people living in the affected region and to bridge the time gap between humanitarian aid and the implementation of development projects. Development-orientated emergency and transition aid is conceived to last between 6 and 26 months.

Development assistance/reconstruction

Development assistance is provided mainly through the funds of the BMZ and strives for a long-term improvement of living conditions for people living in developing countries. Humanitarian aid in turn primarily aims to overcome an immediate critical situation where the lives of a substantial number of people are in danger. The concept of sustainability that plays a great role in development cooperation is of less importance in humanitarian aid. German development cooperation is normally tied to conditions negotiated between the interacting governments whilst humanitarian aid is directly addressed to the affected people.

Despite these clear distinctions between different forms of aid, the lines between them are blurred in practice. This refers particularly to the distinction between humanitarian aid and emergency aid. In practice these funds are used for similar purposes (temporary shelter, emergency medical assistance) and are often channelled through the same agencies (UN agencies, NGOs, GTZ⁵). Nevertheless, there are examples (see below) where development-oriented emergency aid is indeed used for purposes – e.g. from temporary shelter to long-term housing – linking humanitarian and development aid.

4.2 Volume and distribution of funding (overview)

Of the 634.27 million US \$ (500 million €) pledged, 348.85 million (US \$275 million €) were committed in 2005, of which 158.57 US \$ (125 million €) were to be disbursed in 2005 and 190.92 US \$ (150 million €) to be disbursed in 2006-2008. A second tranche of commitments – adding up to the total sum pledged – is foreseen to be included in the budget for 2006, for disbursement in 2007 – 2009. The legal basis of the commitments is a decision of the Ministry of Finance on the provision of extraordinary Tsunami funds, reported to the parliamentary budget committee on May 4, 2005. All disbursements for humanitarian and emergency aid before this date were made from existing funds, which were replenished later by the extraordinary funds.

In addition, 25.37 million US \$ (20 million €) from the humanitarian aid funds of the Federal Foreign Office were committed, also to be replenished by a later decision of the MoF, but not from the abovementioned extraordinary Tsunami funds.⁶

Additionally the German Federal States contributed with small sums of their own funds to the tsunami emergency relief, mostly in combination with donations from the general public (see chapter 4.6 below).

Thus, 59% of the 520 million € pledged in 2005 were committed in 2005, the rest to be committed in the budget 2006 which will be decided upon not before the end of 2005.

All funds to be spent in 2005 (125 million € + 20 million € = 29% of funds pledged) will most probably be fully disbursed to the implementing agencies by December 31, 2005. Allocated funds that cannot be used for specifically earmarked purposes in 2005 are to be reallocated in order to secure full disbursement of the funds in 2005.

⁵ The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH is a governmental executing agency of the BMZ

⁶ By a decision of MoF on September 2, 2005, only 16.6 million € were replenished in the respective budget of the AA

| Table 1: Planning framework for commitments and disbursements for German state tsunami relief funding (in Mio US \$) | | | | | | |
|---|--------|---------|---------|---------|--------|--------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | Total |
| Commitments | | | | | | |
| - BMZ | 348.85 | 285.42* | | | | 634.27 |
| - AA | 25.37 | | | | | 25.37 |
| Disbursements | | | | | | |
| - BMZ | 158.57 | 190.28* | 152.23* | 101.48* | 31.71* | 634.27 |
| - AA | 21.39 | | | | | 21.39 |
| *planned | | | | | | |
| Source: BMZ | | | | | | |

For the distribution of funding see table 2 below:

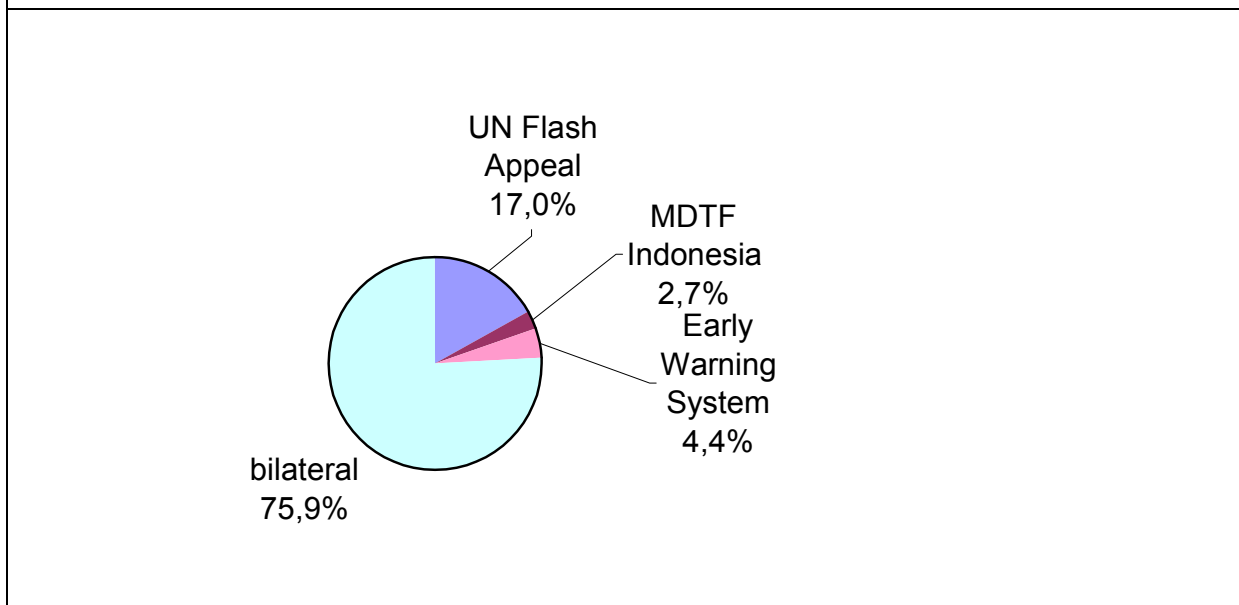
| Table 2: Breakdown of German state tsunami relief funding (in million US \$) (grey fields: humanitarian and emergency aid) | | | | | |
|---|---------------------------------|------------------------|-------------|---------------|---|
| Donor | Country | Agency | Commitments | Disbursements | Purpose |
| | Sri Lanka | GTZ | 8.88 | 8.88 | Development-orientated emergency and transition aid |
| | | GTZ, KfW | 107.82 | 22.83 | Reconstruction |
| | Indonesia | GTZ | 7.61 | 7.61 | Development-orientated emergency and transition aid |
| | | GTZ, KfW | 74.85 | 19.03 | Reconstruction |
| | “Indian Ocean Regional Program” | Multi Donor Trust Fund | 10.15 | 3.81 | Reconstruction |
| | | InWent | 2.35 | 0.63 | Technical Cooperation |
| | | DED | 0.89 | 0.00 | |
| | | CIM | 3.80 | 0.63 | |

| | | | | | |
|---------------------------|---------------|--|---------------|---------------|--------------------------------------|
| | | SKEW | 0.63 | 0.63 | Development Education |
| | | FES, HBS | 1.27 | 0.00 | Support to CSO |
| | | DWHH, WP Schmitz, Kübel-Stiftung, Don Bosco, CCF, Kinderhilfswerk | 9.51 | 3.17 | Support to CSO |
| | | EED, KZE | 6.34 | 1.27 | Support to CSO |
| | | Management | 2.54 | 1.27 | |
| | | UN-Flash Appeal | 50.74 | 50.74 | Humanitarian and emergency aid |
| | | BMI, BMVEL, BMVBW, BMU | 7.61 | 5.07 | Reconstruction |
| | | Federal Foreign Office | 8.88 | 3.80 | Education, Democracy |
| | Indonesi a | BMBF, BMZ, AA, BMWA, BMVBW | 16.50 | 3.81 | Early-Warning System |
| | | BMVg | 19.03 | 19.03 | Emergency medical aid |
| | Reserve | | 6.34 | 6.34 | |
| Federal Foreign Office | | UN- Flash Appeal | 12.69 | 12.69 | Humanitarian and emergency aid |
| | | German and international NGOs | 12.69 | 12.69 | Humanitarian and emergency aid |
| Total | | | 374.22 | 183.30 | |
| Source: BMZ, AA | | | | | |

4.3 Humanitarian and emergency aid

For humanitarian and emergency aid a total amount of US \$ 111.63 million (€ 88 million) was allocated. These funds were channelled in four different ways:

Figure 1: Distribution between multilateral and bilateral channels in German tsunami response funding (commitments 2005)



- UN Flash Appeal
- Humanitarian aid from the funds of the Federal Foreign Office to national and international NGOs
- Emergency and transition aid from the funds of the BMZ
- Humanitarian medical assistance through the German Armed Forces.

UN Flash Appeal

After the release of the UN-Flash Appeal in January 2005 the German Government decided to contribute an amount of US \$ 63.43 million (€50 million).⁷

⁷ The figures in Table 3 do not fully add up to the stated amount.

The Federal Foreign Office allocated half of its total spending for tsunami related humanitarian issues of US \$ 25.37 million (€ 20 million) to the UN Flash Appeal. The remaining amount of US \$ 50.74 million (€ 40 million) was contributed by the Federal Ministry for Economic Cooperation and Development from the extraordinary tsunami funds.

The Federal Foreign Office normally only provides funds to those organizations with which the agency had good working experiences in the past. Another criterion is that the supported organizations have to act according to the humanitarian principles of the agency (*Twelve rules of humanitarian aid*) which have also to be followed by private NGOs that request assistance of the Foreign Office.

The Federal Foreign Office decided to support the UN organizations UNHCR, OCHA, WHO and IOM, whereas the BMZ supported UNFPA, UNDP, and WFP.

The funds were fully disbursed to these organizations by February 2005. Information on the disbursement of funds by the UN agencies to the countries is available through their regular reports to donor governments. According to the latest available reports the disbursements vary considerably by UN organization.

| Table 3: Total funding of the German Government for the UN-Flash Appeal | | | | | |
|---|--------------------|----------------|--|--|-----------------------|
| Donor | UN agencies | Country | Disbursement 2005 US \$ million | Sector | |
| Federal Ministry for Economic Cooperation and Development (BMZ) | UNFPA | Indonesia | 3.81 | Reproductive Health | |
| | | | 1.27 | Mental Health | |
| | | Sri Lanka | 0.59 | Protecting women and girls | |
| | | | 1.95 | Reproductive Health | |
| | UNDP | Indonesia | 15.22 | Trust Fund for crisis Prevention and Recovery | |
| | | Sri Lanka | 2.54 | Restoration of partially dam- aged houses | |
| | | | 0.97 | Strengthening local organizations for disaster and relief | |
| | | | 1.57 | Strengthening national and local capacities | |
| | | | 3.81 | Recovery of micro enterprises | |
| | | Maldives | 1.27 | Risk reduction | |
| | | WFP | Sri Lanka | 5.84 | Food |
| | Indonesia | | 7.61 | | |
| | Maldives | | 0.63 | | |
| | Myanmar | | 0.53 | | |
| | Somalia | | 0.68 | | |
| AA | UNHCR | Sri Lanka | 1.27 | Shelter in Batticaloa, Trincomalee, Ampara | |
| | | | 0.32 | Clothes and Hygiene utilities | |
| | OCHA | Indonesia | 4.44 | Humanitarian Aid | |
| | | | 0.39 | Coordination of Humanitarian Aid | |
| | | | 0.95 | Reconstruction of Health system | |
| | | | IOM | 3.17 | Shelter in Banda Aceh |
| | | | | 1.27 | Goods in kind |
| | | | Total | | 60.08 |

Source: BMZ, AA

Humanitarian aid by the Federal Foreign Office

For the response to the tsunami disaster the Federal Foreign Office presented a request for extraordinary expenditures in the amount of US \$ 25.37 million (€ 20 million) to the Federal Ministry of Finance. This request was accepted and the Foreign Office pre-financed the costs for humanitarian aid from its current funds until they were replenished. Out of these funds US \$ 12.68 million (€ 10 million) were spent through national and international NGOs, and through THW and GTZ which are state-owned organizations.

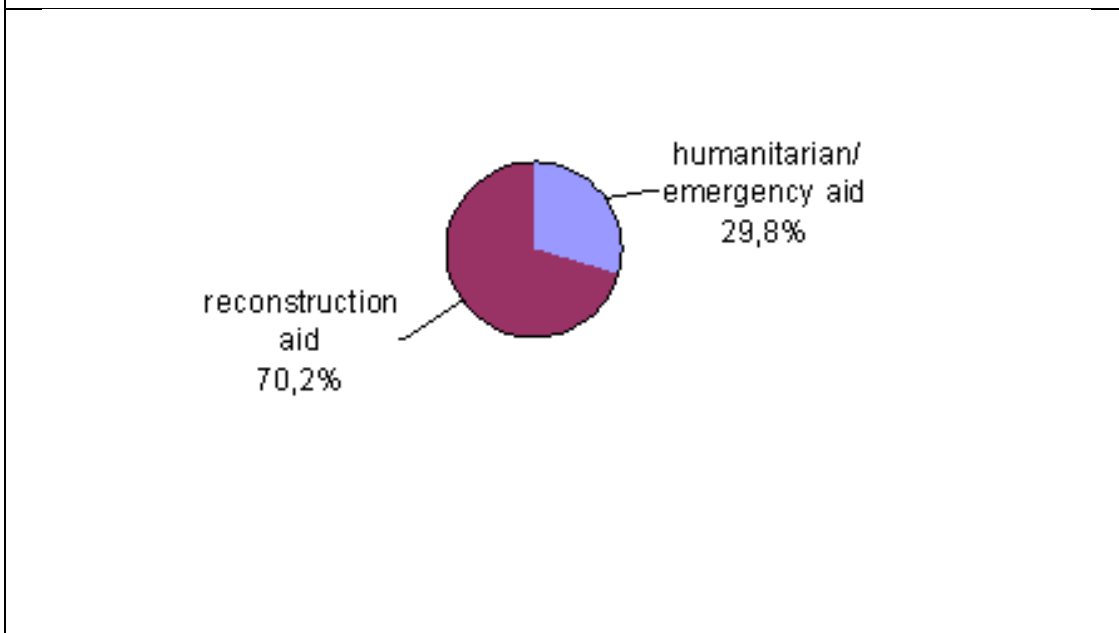
In addition to the selection criterion mentioned above (*Twelve rules of Humanitarian Aid*), the Federal Foreign Office requested that the NGOs follow the recommendations made by OCHA for Tsunami relief.

| Table 4: Funding of the German Foreign Office to national and international NGOs | | | |
|---|------------------------------|---|---------------------------------|
| Country | Agency | Sector | Amount in US \$ thousand |
| Sri Lanka | German Red Cross | Equipment of field hospital in Mallaittivu and Puthukkudiyiruppu | 380.57 |
| | THW | Water supply | 314.60 |
| | THW | Cleaning of wells | 282.89 |
| | DWHH | Food and Hygiene | 139.54 |
| | Care International Germany | Shelter | 244.83 |
| | HELP | Food and Hygiene | 257.52 |
| | World Vision Deutschland e.V | Food and Hygiene | 247.37 |
| | GTZ | Food, shelter, water supply | 1196.25 |
| | Kindernothilfe e.V. | Tents, water supply | 253.71 |
| | arche noVa e.V. | Water supply | 317.14 |
| Indonesia | German Red Cross | Health | 608.91 |
| | THW | Water supply in Aceh | 3244.96 |
| | Nehemia Christenbund e.V. | Food | 139.54 |
| | Care Germany | Hygiene | 312.06 |
| | DWHH | Shelter, clothes, etc. | 348.85 |
| | THW | Water supply for people of the island Simeulue after the earthquake of 28.03.05 | 225.80 |
| | Johanniter-Unfall-Hilfe e.V. | Shelter | 234.68 |
| India | Caritas International | Food | 355.19 |
| | Caritas International | Clothes, blankets, etc. | 279.08 |
| | Deutsche Welthungerhilfe | Shelter, medicine, etc. | 152.23 |
| Somalia | Somalischer Verein | Medicine | 49.47 |
| Total | | | 9.585.18 |
| Source: AA | | | |

Although US \$ 12.68 million were allocated, actual spending on humanitarian aid was lower, since some NGOs returned the funds because they were not even able to spend the money they received through donations. For this reason the Foreign Office's total funding in humanitarian

aid was lower than expected. Thus, freed up funds were spent on other tsunami related issues like identification of victims. As a conclusion the US \$ 25.37 million funding pledged by the Federal Foreign Office were spent for tsunami related issues, although in total only US \$ 21.39 million (€ 16.86 million) were actually spent on humanitarian aid.

Figure 2: Distribution between humanitarian/emergency aid and reconstruction aid in German tsunami response funding (commitments 2005)



Emergency aid from the funds of the BMZ

The BMZ allocated US \$ 16.49 million (€ 13 million) on emergency and transition aid exclusively for Sri Lanka and Indonesia.

Indonesia received US \$ 7.61 million (€ 6 million) and Sri Lanka US \$ 8.88 million (€ 7 million). These funds were channelled directly through the offices of the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH in the respective countries. This decision was made because the GTZ had a regular program in Sri Lanka as well as in Indonesia and was able to use its local structures to spend the funds allocated for emergency aid in an efficient and fast way.⁸

⁸ Except in Aceh, where no local structures existed before the tsunami and where German cooperation personnel from other parts of the country were dispatched shortly after the tsunami.

The funds for Indonesia were used to finance water provision and waste water treatment in 19 camps which accommodate 20,000 “Internally Displaced Persons”. In addition economic livelihoods were supported through cash-for-work programs and the restitution of productive equipment (e.g. fishing boats). After the earthquake on March 28, 2005, water supply, rehabilitation of school buildings, provision of family and school tents were extended to Nias.⁹ In Sri Lanka there were similar measures including cash-for work and food-for-work programs.

Humanitarian medical assistance through the German Armed Forces

The German Armed Forces dispatched a hospital ship to Indonesia (Banda Aceh) in January 2005 (until March 2005) to provide emergency medical assistance. The costs of this mission were estimated at US \$ 19.03 million (€ 15 million). The Federal Ministry of Defence will be

The Tsunami devastated the main hospital “Zainol Abidin” in the province of Banda Aceh. Because of the importance of the hospital for the local population several organizations collaborated in re-establishing the main functions of the hospital. In January 2005 the German organizations THW, GTZ and the German Armed Forces collaborated with private NGOs and with the Australian development organization AusAID and the Australian Armed Forces to re-establish the functionality of the hospital.

The full reconstruction of the hospital will be supported through German technical and financial cooperation in collaboration with AusAID.

reimbursed up to this amount through the extraordinary Tsunami funds administered by the BMZ. Additionally to this mission the Armed Forces donated to Indonesia and Somalia goods in kind in form of medical equipment in an amount of approx. US \$ 2.48 million and donated “First Aid Equipment” to the Peace Village International in Marawilla, Sri Lanka, at a value of US \$ 111.63 thousand.

Supply of goods in kind

A part of the humanitarian and emergency aid has been provided in kind, i.e. the goods and services have been dispatched from Germany to the affected regions. This applies particularly to the medical assistance through the German Armed Forces, but also to the rehabilitation of water supply through THW. It could not be determined for each support activity and for each agency where the goods and services to be provided had been purchased. Therefore, the percentage of in kind provision of goods and services is not included in the tables.

⁹ Summary Record Indonesia, S. 4

4.4 Reconstruction assistance

The BMZ developed a funding strategy for reconstruction assistance based on two programs, that are related to the countries that were strongly affected by the tsunami: Sri Lanka and Indonesia. These programs are complemented by the Early-Warning-System program, capacity building programs and support to CSO in Sri Lanka and Indonesia, as well as by other measures.¹⁰

According to the internal planning documents German reconstruction support adheres to the following principles:

- Not to reinforce internal conflicts in the affected countries
- To involve the affected population (especially women) in the planning and realization of reconstruction
- To strengthen the capabilities of the countries
- Strengthening of the civil society
- Sustainable ecological, social and economic development,
- Donor coordination.¹¹

4.5 Indonesia

For Indonesia commitments in 2005 for reconstruction in tsunami-affected regions amounted to US \$ 74.85 million (59 million €). In addition, 7.61 million US \$ (6 million €) for quick disbursing emergency and transition assistance were committed already in January 2005, before the government negotiations in May 2005 (see chapter 3).

Due to the state of emergency no donors were present in the province of Aceh before the Tsunami. The existing German cooperation program in Indonesia has its focus in Central-Java and in East Indonesia. While this program will be continued, an additional reconstruction program for the Tsunami affected province of Aceh has been agreed with the Indonesian government.

¹⁰ In the planning framework these complementary programs, which could not be completely broken down to countries in an early planning stage, were termed "Indian Ocean Regional Program."

¹¹ Sachstand, 12.09.05, S. 5.

After the Core Group of donors developed an early “Damage and Loss Assessment” in January 2005 the Indonesian government began to work on the Master Plan for reconstruction with – among others – the participation of German experts of GTZ and KfW. Parallel to this process the German reconstruction program for Indonesia was developed in cooperation with local agencies, based on longstanding working relations with those agencies.

The special German-Indonesian government negotiations on development cooperation for the rehabilitation and reconstruction of Aceh and Nias were held in Jakarta from May 17 to 19, 2005.

The German and the Indonesian delegations reached the following agreement:

1. The regular development cooperation program in Central Java and Eastern Indonesia will be continued as planned.
2. The reconstruction programs in Aceh / North Sumatra will be established for a period of 3 to 5 years.
3. In reconstruction activities the German assistance will focus on health, education, housing, support to local business and governance.
4. The objective of the negotiation, based on written request of Bappenas (May 3 and 10, 2005), was the allocation of a first tranche of special funds for rehabilitation and reconstruction, a second tranche to be accorded before the end of 2005 for disbursement in 2006-2009.

The support will be channelled through the procedures established by the Indonesian government, and in particular in coordination with the Executive Agency for the rehabilitation and reconstruction in Aceh and Nias Island (BRR).

The funds are composed as follows:

Financial cooperation: US \$ 50.74 million (€ 40 million)
Technical cooperation: US \$ 24.10 million (€ 19 million)

Example for German rehabilitation/reconstruction programs in Aceh/Indonesia:
Education and vocational training

Germany is one of the major development partners of Indonesia in the area of vocational training. In parallel to the elaboration of the comprehensive Master Plan for reconstruction in tsunami-affected regions, the Indonesian government has asked Germany to support the rehabilitation of training facilities in Aceh. Based on the longstanding working relations with the Ministry of Education, the resident German experts developed a rehabilitation program for vocational training facilities in Aceh.

The focus of this project is the rehabilitation/reconstruction and the provision of equipment for vocational training centers in the Aceh Province and Nias. The training measures will have the emphasis on advanced teacher training and school administration. The project started in June/ July 2005.

| Donor | Sector | FC US \$million | TC US \$ million |
|--|---|------------------------|-------------------------|
| Federal Ministry of Economic Cooperation and Development | Health (Hospital Banda Aceh) | 15.22 | 1.27 |
| | Health (Rehabilitation and Reconstruction of Provincial Health System) | 5.07 | 2.54 |
| | Education (Rehabilitation of Vocational Training Centers) | 12.69 | 3.81 |
| | Education (rehabilitation and reconstruction of Secondary Schools) | 5.07 | 0 |
| | Housing | 12.69 | 0 |
| | Governance (Support to Local Governance in Community Planning) | 0 | 3.81 |
| | Governance (Spatial and Environmental Planning) | 0 | 3.81 |
| | Governance (Management of Geo-Hazard (BGR)) | 0 | 2.54 |
| | Governance (Population Administration) | 0 | 2.54 |
| | Economy (Micro Finance) | 0 | 2.54 |
| | Rapid Response Fund | 0 | 1.27 |
| | Subtotal | 50.74 | 24.10 |
| | Total | | 74.84 |

MDTF for Indonesia

On April 25, 2005, a Multi Donor Trust Fund (MDTF) was established under the management of the World Bank for Tsunami relief and reconstruction in Indonesia, with international commitments of about 500 million US \$. Germany contributed approx. US \$ 10 million, about half of the amount to be disbursed in 2005.

4.6 Sri Lanka

For Sri Lanka an amount of US \$ 107.87 million (€ 85 million) has been committed in 2005. In addition, an amount of 8.88 million US \$ (7 million €) for emergency and transition aid had been committed and disbursed already in January/February 2005 (see chapter 3).

A preliminary reconstruction Master Plan of the Sri Lankan Government was presented at the International Development Forum (May 16-17, 2005). Due to the fact that the German development cooperation, especially GTZ, was already supporting programs in Sri Lanka, also in the Tsunami-affected region, the German cooperation was able to develop the reconstruction program in a short time span and in parallel to the local needs assessments. The German agencies

in Sri Lanka developed an internal needs assessment based on permanent consultations with the Sri Lankan government. Since reconstruction after a natural disaster is very similar to reconstruction after a civil war, the support of the German technical cooperation for Tsunami reconstruction benefited from the experiences made in the regular programs.

In the special bilateral government consultations on development cooperation in connection with overcoming the effects of the flood disaster on May 18, 2005 the following allocation of funds was agreed upon:

Financial cooperation: 62.19 million US \$ (49 million €)
 Technical cooperation: 45.68 million US \$ (36 million €)

Example of reconstruction support in Sri Lanka: Housing

In response to the request by the Sri Lankan government of March 21, 2005, an appraisal has been carried out and came up with a positive result. One important component of the project will be the support of the executing agency with regard to further qualification of the planning, implementing and monitoring capacities in the housing sector, based on the participation of the target groups. Another component aims at providing support in the drawing up, dissemination of and adherence to housing strategies in connection with reconstruction after the tsunami. The National Housing Development Authority and the Urban Development Authority (UDA) / Tsunami Housing Reconstruction Unit (THRU) will be the partner institutions.

In addition to this capacity building support through technical cooperation the financial contribution (12.69 million US \$) will be used for co-financing the reconstruction scheme which has already been developed by the Sri Lanka Government supported by the World Bank and the Swiss Development cooperation.

Table 6: Commitment for tsunami rehabilitation and reconstruction in Sri Lanka 2005

| Donor | Sector | FC US \$ million | TC US \$ million |
|--|--|-----------------------------|-----------------------------|
| Federal Ministry for Economic Cooperation and Development (BMZ) | Housing | 12.69 | 0 |
| | Infrastructure | 19.04 | 0 |
| | Water | 27.92 | 0 |
| | Study and Expert Fund | 2.54 | 0 |
| | Education (rehabilitation and reconstruction of | 0 | 12.69 |

| | | |
|---|-------|---------------|
| vocational training institutions) | | |
| Rehabilitation of social, technical and productive infrastructure | 0 | 12.69 |
| Housing | 0 | 5.07 |
| Qualification of executing structures | 0 | 4.44 |
| Education, psycho-social care | 0 | 4.44 |
| Small business promotion | 0 | 6.35 |
| Subtotal | 62.19 | 45.68 |
| Total | | 107.87 |

One of the main objectives of the German reconstruction program in Sri Lanka is not to destabilize the fragile situation in the country. The positive discrimination that has been noticed after the Tsunami (earthquake victims have been privileged) could cause resentments and fuel the conflict. The German cooperation follows the “do-no-harm-principle” and tries to raise awareness of the critical situation.

4.7 Support for capacity building, management and CSOs in Sri Lanka and Indonesia

Within the Framework of technical cooperation in a broader sense, the BMZ has planned to allocate a total amount of US \$ 12.69 million (€ 10 million) through German organizations (InWEnt, DED, CIM) specialized in human capacity development (education, qualification, etc.). These funds are planned to be disbursed until 2009.

The intention is to qualify local administrations and to arrange training in themes such as disaster prevention and mitigation. Furthermore German experts plan to support the work of international organizations.¹²

For 2005 an amount of US \$ 1.27 million (€ 1 million) has been allocated. US \$ 5.77 million (€ 4.55 million) have been additionally committed in 2005.

| Agency | Disbursement 2005 US \$ thousands | Additional Commitments 2005 US \$ thousands | Sector |
|---------------|--|--|---|
| InWEnt | 634 | 1.712 | Capacity building and management support |
| DED | - | 887 | |
| CIM | 634 | 3.171 | |
| Total | 1,268 | 5,770 | |

For programs aimed to strengthen the civil society in tsunami-affected regions US \$ 31.71 million (€ 25 million) are foreseen which shall be disbursed until 2009. Several German non-governmental organizations with activities in these areas applied for funds for projects in the tsunami-affected regions. Commitments and disbursements in 2005 have been distributed as follows:

| Donor | Organizations | Disbursement 2005 US \$ thousands | Additional commitments 2005 US \$ thousands |
|--------------|----------------------|--|--|
| Ministry of | SKEW | 634.28 | 0 |

¹² see Planungsrahmen, p. 4

| | | | |
|---|--|---------|----------|
| Economic Cooperation and Development | German political foundations (FES, HBS) | 0 | 1268.55 |
| | German NGOs | 3171.38 | 6342.76 |
| | EZE/ EED (church) | 634.28 | 0 |
| | KZE/ Misereor (church) | 634.28 | 5074.21 |
| Total | | 5074.21 | 12685.53 |

The following table gives a more detailed overview for which purposes the funds allocated through German NGO's were used.

| Organization | 2005 US \$ thousands | Total 2005-2008 US \$ thousands | Purpose |
|-----------------------------------|-----------------------------|--|--|
| Andheri-Hilfe e.V. | 442.704,92 | 634.27 | Housing+ recovery of means of existence for tsunami victims |
| CCF Kinderhilfswerk e.V. | 171254,25 | 228.705,61 | Rebuilding schools and kindergartens |
| Christoffel-Blindenmission e.V. | 202.422,52 | 523.124,65 | Rebuilding damaged houses |
| Deutsche Welthungerhilfe e.V. | 455.143,05 | 2.064.889,87 | Housing + local infrastructure |
| Dewi Saraswati Patenschaftskreis | 20.589,84 | 61.461,25 | Supervision + education of orphans |
| Gemeinnützige Treuhandstelle e.V. | 70.018,89 | 140.037,77 | Social integration of tsunami orphans |
| Indien-Nothilfe e.V. | 95.223,71 | 112.700,52 | Aid for tsunami victims in Nagapattinam |
| Jugend Dritte Welt e.V. | 332.994,38 | 680.259,94 | Housing aid for victims of 4 villages |
| Jugend Dritte Welt e.V. | 162.421,34 | 634.216,65 | Rehabilitation for young victims |
| Jugend Dritte Welt e.V. | 301.628,21 | 634.150,68 | Income maintenance for tsunami victims in Adamanan and Nicobaren |
| Karl Kübel Stiftung | 387.034,61 | 785.332,67 | Reconstruction + rehabilitation in tsunami |

| | | | |
|--------------------------|---------------------|---------------------|--|
| | | | affected regions |
| Marie-Schlei-Verein e.V. | 151.560,01 | 240.509,47 | Reconstruction: production-. Sell-and capacity building center |
| W.P. Schmitz-Stiftung | 99.213,30 | 408.168,65 | Housing + income generation measures |
| Total | 2.892.209,01 | 7.147.832,72 | |

4.8 Early Warning System

To avoid future devastations caused by a tsunami, the German Federal Government and the Indonesian Government issued on March 14, 2005, a "Joint Declaration" as initiation of the international Early Warning System project. The Federal Ministry of Education and Research will have the lead management of the project on the German side. The project aims to provide technological support in the setup of the Early-Warning System as well as technical assistance. The geological research institute "GeoForschungsZentrum Potsdam (GFZ)" will provide the scientific expertise while GTZ will provide technical assistance. For this project US \$ 57.08 million (€ 45 million) have been envisaged as a financial frame until 2009. In 2005 US \$ 3.8 million (€ 3 million) were disbursed by end October 2005 and US \$ 12.68 million (€ 10 million) have been additionally committed. Due to a request for additional disbursements in 2005, there will be further reallocations from unused Tsunami funds for 2005 in favour of the Early-Warning - System.

4.9 Contributions of other ministries

For the implementation of the two Country Programs and the purpose of capacity building, management and CSO support other German ministries are making contributions based on their specialized expertise. For this purpose a total amount of US \$ 50.74 million (€ 40 million) shall be disbursed until 2009. In 2005 US \$ 35.53 million (€ 28 million) have been committed for this purpose. Of this amount 19.03 million US \$ (15 million €) have been used for the medical emergency measures of the **Federal Ministry of Defense** (see chapter 3).

The **Federal Foreign Office** will participate in the reconstruction of the Tsunami-affected regions by realizing projects in line with its competencies culture, education and crisis management. The following activities are planned:

- Projects to promote culture and education
(scholarships, language training, tourism) US \$ 15.22 million
(€ 12 million)
- Crisis prevention, promoting democracy, US \$ 3.80 million

conflict resolution , regional stabilisation (€ 3 million)

In 2005 US\$ 8.88 million (€ 7 million) has been committed for these measures.

The **Federal Ministry of the Interior** received US \$ 3.80 million (€ 3 million) as commitments in 2005 to finance THW (the disaster relief organization of the German Government) missions in the tsunami-affected areas.

The **Federal Ministry of Consumer Protection, Food and Agriculture** is planning two projects that shall be carried out in cooperation with the FAO until 2009. For this purpose the Ministry of Economic Cooperation and Development committed US \$ 1.27 million (€ 1 million) in 2005. The two projects are planned to start in September 2005.

The **Federal Ministry of Transport, Construction and Housing** has been allocated US \$ 1.26 million (€ 1 million) to provide assistance to the National Aquatic Resource Authority in Sri Lanka.

The **Federal Ministry for Environment, Nature Conservation and Nuclear Safety** plans to spend US \$ 5.07 million (€ 4 million) to assist the Biodiversity and Tourism Support Center. Furthermore it is planned to analyze the impact the Tsunami had on the Ecological System through UNEP. In 2005 1.26 million US \$ (€ 1 million) has been committed for this purpose.

4.10 Contributions by Federal States

The 16 federal states in Germany regularly contribute to development policy. Against the background of the extraordinary response by the general public, most of the federal states supported communities which had engaged in a large number of partnership initiatives shortly after the devastating impact of the Tsunami became aware to the general public.

A small survey among the 16 federal states for this study yielded only six responses. Therefore, no overall picture of funding from federal states can be given here. However, it is clear that the funds mobilized from the budgets of the federal states were quite small compared to the funds mobilized by the federal government. A few examples of the activities of federal states are given here:

- *Baden-Württemberg*: Supply of a water purification plant to Sri Lanka through THW (50,000 €)

- *Bayern*: Funding of training seminars for water management experts from Indonesia and Sri Lanka through InWEnt (80,000 €)
- *Rheinland-Pfalz*: Support of small relief projects in Sri Lanka, managed through an office of RP in Sri Lanka (1 million €)
- *Bremen*: Support of private initiatives in Indonesia and Sri Lanka (125,000 €)

According to the available information the funds have been mobilized from regular budget resources for emergency and/or development purposes. Thus, in most cases they were not additional.

V. Good humanitarian donorship

Was funding guided by humanity, neutrality, impartiality and independence?

For the humanitarian aid portion of the tsunami response funding the major principles of *Good Humanitarian Donorship* have been regarded by the German government, even if the *Twelve Rules of Humanitarian Aid* are not fully congruent with the GHDP. The funds have been allocated to well-established UN- and non-governmental organizations which comply to the rules mentioned above.

For reconstruction assistance, the major part of German tsunami response funding, the GHDP do not apply. Assistance is provided in the framework of government negotiations and thus is not impartial or neutral. However, the specific political situation in the tsunami-affected regions, particularly the conflict and post-conflict issues, have been taken into account in the tsunami response measures and have led to specific actions either with regard to the allocation of funds or with regard to participatory approaches in the planning of measures.

What measures have been undertaken to provide humanitarian assistance in ways that are supportive of recovery and long-term development?

There are links between humanitarian aid, emergency aid and reconstruction assistance, which have been explicitly acknowledged in the German tsunami response. Specific measures linking short-term with long-term activities have been carried out. However, the effectiveness of this approach cannot be judged on the basis of analyzing funding flows.

How and with what resources has the response to the tsunami been funded? Have funds that were intended for other crises been diverted? Has the generous response to the tsunami-affected funding of other emergencies in 2005?

Have committed funds increased overall spending (i.e. were new funds allocated or was the emergency relief funding allocated from other budget lines?)

It appears that the funds committed for tsunami response in 2005 have been additional in the sense that they were explicitly added to the regular humanitarian aid and development assistance budgets in a transparent way through the budgetary process. Regular budgets have only been used for the pre-financing of disbursements in early 2005 before they were replenished later.¹³ A final judgement can only be made, however, when the DAC figures for 2005 are available.

¹³ Except 3-4 million US \$ humanitarian aid funded by the Federal Foreign Office which were not replenished.

Was all funding provided in the form of grants and untied aid?

All funding was provided in the form of grants. Most funds are channelled through specific national and international organizations and are earmarked for specific purposes. As far as the agencies, which are responsible for the implementation of the assistance, do not provide the goods and services in kind (such as the military or THW), they have their specific procurement guidelines and buy a large part, including the services of local personnel, in the partner countries. Technical assistance is tied in the sense that expatriate experts are normally recruited in Germany. Financial assistance for reconstruction is untied according to the respective OECD/DAC principles.

Were military assets employed?

Military assets were employed in the form of a hospital boat for and the provision of basic medical services to the hospital in Banda Aceh. Since it would not be appropriate to compare the costs of medical treatment using military assets in an emergency situation with the normal cost of treatment using civilian assets (say, two weeks later), it cannot be determined whether the 19 million US \$ spent on this mission were spent efficiently.

Has there been a concentration in a few organizations/institutions or have funds been distributed more widely?

Approximately 20% of funds committed in 2005 have been channelled through the multilateral system (UN, MDTF). The 80% which are channelled through the bilateral system follow the general pattern of the German development aid system: The majority of funds is allocated through KfW and GTZ as the agencies responsible for financial and technical cooperation; a smaller part is allocated to other governmental and non-governmental agencies and organizations. Since most of these organizations do have specific experiences and partnerships in the respective countries and partly also in the tsunami-affected regions, it seems appropriate to select them as implementing agencies. Allocation of funds through organizations without this specific experience and institutional links can lead to supply orientation and an increase in management and coordination costs.

To what extent did tsunami funding follow a needs-oriented approach and allocate funds on basis of need assessments?

The allocation of humanitarian and emergency aid was based on the UN Flash Appeal and early needs assessments of organizations with contacts to the affected regions.

The first tranche of the allocation of reconstruction assistance (commitments 2005) was based partly on the involvement of German experts in the local processes of developing the reconstruction Master Plans as well as on the Master Plans themselves (which were published after the government negotiations with Indonesia and Sri Lanka). For the second tranche of

commitments end of 2005/early 2006 full alignment with the reconstruction Master Plans will be essential.