

Resurrection

New jobs still need to be found, homes still need to be rebuilt. But those parts of Asia most hurt by the tsunami are stirring again. A Time special report on what has been achieved so far, and the work yet to be completed

BY SIMON ELEGANT
TIME Asia April 4, 2005 Vol. 165, No. 13

Khoedyman Xi picks up a mud-smearred red plastic cover for a motorcycle rear light, polishes it with a rag, and carefully places it on a shelf in a glass display case. The case already holds a row of similar covers, as well as three sets of windshield wipers, half a dozen bottles of brake fluid and four plastic steering-wheel covers. That's pretty much all that's left of Xi's business, Areka Motor, an auto-parts and air-conditioning repair shop located in the heart of what was once the main commercial district of Banda Aceh, Indonesia. It's taken Xi and his son Tony weeks to clean out the mud and debris that choked the inside of the narrow shop, and despite their efforts, the stench of decay still hangs in the air. The 65-year-old mechanic says he left to stay with relatives in the city of Medan, 480 km to the southeast, after the tsunami swept away his wife and other family members. But now he's back and open for business. Customers drift in and out of Xi's store, picking at the few items he has for sale or asking if he can repair their motorbikes or cars. "Things are still not very good," Xi says. "I still owe money to the big boys in Medan on all the stock that was lost in the tsunami. But we are not beggars. We can take care of ourselves."

It has been three months since an underwater convulsion off the coast of Sumatra spawned a series of huge waves that washed up on the shores of the Indian Ocean. On official counts, nearly 300,000 people died in the tragedy or are still missing. For the survivors, the pain will never disappear. Now, however, after what surely must be the greatest outpouring of compassion the world has ever seen, a semblance of normality is setting in. Schools, food stalls—and yes, auto-parts shops—are reopening; mosques, temples and churches are welcoming the faithful to prayer; and children are again playing in streets that not long ago were grimly silent.

Like Xi, many survivors say they are beginning to think of the future. But the task of rebuilding and recovery is, if anything, even more formidable than the emergency-relief efforts that have been done so far. "We do relief all the time and we're good at it," says a top U.N. official who is touring the region to assess its post-tsunami needs. "So far it's been relatively easy. This is only a few million people after all. In Bangladesh one year we had to house and feed nearly 20 million. But reconstruction is a completely different ball game. That's when problems with cor-

ruption and bureaucracy kick in. Now the hard work begins."

The challenges are daunting: reclaiming a devastated environment so that people can once again feed themselves; rebuilding entire communities from scratch; relaunching thousands of small businesses like Xi's; helping those traumatized; and simply ensuring that survivors have access to the kind of services most of us take for granted—clean water, electricity, garbage collection, phone lines, sewerage systems.

But government planners and aid workers alike say the single, overriding issue is the availability and distribution of money. There's a lot of it at stake. For once in a natural-disaster recovery program, the problem isn't too few dollars but too many. Total pledges amount to more than \$6 billion, yet most of that won't be disbursed until Indonesia and Sri Lanka, the two hardest-hit countries, can offer clear blueprints on how money will be spent in the reconstruction process. Of the major donors, just Japan and Saudi Arabia have delivered cash directly to governments. (India and Thailand said they could cope on their own, so only a little international aid has gone their way.)

The biggest problem, in a word, is corruption, or, rather, the potential for it. Next week, the Asian Development Bank, the Organisation for Economic Cooperation and Development and corruption watchdog Transparency International will sit down in Jakarta with NGOs and government officials from around the region to address risks and safeguards. "How the [Indonesian] government plans to manage the pledges they receive is still unclear," says Matt Stephens, acting coordinator for the World Bank's program in Aceh. "Until they can come up with a convincing accountability structure, people will remain skeptical."

The key difference from past natural disasters is that this time the single largest share of the money—about a quarter—is coming from private donors. The experience of the United Nations Children's Fund is telling. UNICEF has often found it difficult to get sizable disaster-relief contributions from official sources. "Governments have to go through a huge process to approve releases of just \$20 million to \$30 million," says spokesman Gordon Weiss. But in the case of the tsunami, he says: "We had that much come in within a week—through credit cards."

Such generosity comes with an implicit condition. The millions of ordinary people around the world who dug into their pocketbooks to help the victims of the tsunami want their money to be well spent. "There's a much higher expectation of accountability from private donors," says Weiss. "They want to know exactly what their donation went toward." Weiss himself was on the ground in Aceh three days after the waves struck, hand-carrying health kits. "The system of checks and balances runs counter to the need for speed," says Weiss. "There's not a happy marriage there." Still, he knew what he had to do. When he and his colleagues hired a pickup truck at \$3 a day to haul goods around Aceh, Weiss wrote a receipt daily for the driver to sign.

The unprecedented response from private donors has prompted the U.N. as well as the International Federation of Red Cross and Red Crescent Societies to hire external auditors to look at their books. In the first such arrangement, accounting powerhouse Price-waterhouseCoopers (PWC) is donating 8,000 hours of professional services to help the U.N. upgrade its existing system for tracking funds, and providing staff to investigate reports of misuse. PWC has roped in nine other professional-services companies, including software and law firms. Says spokesman Mike Ascolese: "It's the largest pro bono effort we've ever done."

And it's needed. In a survey Transparency International conducted last year of perceived corruption in countries, Indonesia came off fifth worst. Moreover, this moment in an aid exercise—when relief gives way to large-scale rebuilding—is especially dangerous, according to a recent Transparency International report, which noted that the construction industry is particularly prone to kickbacks. "It's one thing to hand out rations to displaced people," says the NGO's Asia-Pacific director, Peter Rooke, "but the building of houses for them all is fraught with danger on a huge scale. The big money hasn't even started going out yet."

So far, there have been few reports of relief dollars going astray in Indonesia. That's mainly because aid agencies are deliberately bypassing local or central government officials. In the western coastal town of Lamno in Aceh, two German Red Cross officials and a crew of refugees are erecting a large temporary storage tent in a field behind the town. Several heavily laden trucks roll onto the field and start unloading supplies—tarpaulins, tents—even though only the steel frame for the 50-m-long tent is in place. "We need to store the supplies safely somewhere outside town or they may just disappear," says Tilo, a lanky, ponytailed volunteer who has spent the past six weeks shuttling from one town to the next to distribute aid materials. He grins and wipes a line of sweat from his forehead, then picks up a mallet and turns

back to work. His colleague, who didn't want to be named, says: "We are very careful not to make opportunities where problems can start. We try to make it impossible for corruption to occur by cutting out any middleman and by hiring refugees to help us in our work and paying them directly. We don't want any local government officials or businessmen involved."

Just a few hundred meters up the road, construction has been completed on seven blocks of temporary quarters for 2,100 refugees. Each family gets a 4-m-by-5-m room, says Zulham, a site supervisor. At this particular location, the measurements look about right. But according to Fakhirudin, an activist with the Aceh Anti-Corruption Movement, some refugees moving into other barracks are in for a nasty surprise. Fakhirudin claims that government companies erecting barracks have already started to skim on construction to skim off money. "We found rooms that are only 4 m by 3 m, and some even smaller than that, 2 by 3," says Fakhirudin, adding that his organization has already compiled examples of shortcuts and shoddy work. "We have even found foundations of barracks that have cracked before they are used."

The barracks—which are meant to shelter the province's half a million refugees until permanent housing is built—exemplify the dangers inherent in reconstruction. All building contracts in Aceh so far have been awarded to state companies without public tendering. The government is unapologetic about that. Sujana Royat, Jakarta's official in charge of planning and development for rehabilitation and reconstruction in Aceh, says the companies moved fast and financed the building works in advance, so they deserve the contracts. "If we had tendered the projects, it could have taken months for approval," says Sujana. "It was a time of disaster, and these companies mobilized heavy equipment along with the military in a week." But critics say the process is open to abuse, not least because "these state-owned companies have had problems with debt and bad management," says Wilson Nababan, president of CISI Raya Utama, a Jakarta-based consulting group.

The reluctance of foreign donors to directly hand over money grates on Indonesian officials. "Donors should channel a higher share of their funds through the government budget," Sri Mulyani Indrawati, Indonesia's State Minister for National Development Planning, said at a recent international meeting in Paris. "We are aware of their concerns given Indonesia's reputation for corruption," acknowledges Sujana. "But we think they are misplaced in the case of Aceh."

The way Jakarta is behaving, however, does not always inspire confidence. Last week the government insisted that the United Nations High Commissioner

for Refugees (UNHCR) leave Aceh even though the organization says it still has some \$33 million to spend on building new housing. Indonesian officials say the UNHCR isn't needed because tsunami survivors aren't refugees but "internally displaced people" who don't fall under the UNHCR's mandate. "I don't understand why the UNHCR has to go," says Azwar Hasan, director of the NGO Aceh Development Forum. "It's clear they have been helping the survivors. We need all the money possible, big or small. It's a shame."

The government of Indonesian President Susilo Bambang Yudhoyono, who was elected last year on an anticorruption platform, insists it is tackling graft—and can be trusted to handle much of the rebuilding itself. Jakarta says the concerns of donors will be addressed when the government airs its master plan for the reconstruction of Aceh sometime in April (it was originally scheduled to be released last week). Those details that are known do little, however, to reassure aid officials. The plan, according to Indonesian officials, does set out a proposal for a broad-based audit board including donors, local and foreign NGOs, community representatives and independent auditors. But it also stresses that funds must either be channeled through the Indonesian government or, if it is to be distributed by a foreign organization, approved by Jakarta first. Many aid officials remain unconvinced. "We won't be putting funds through the government because it won't get to the beneficiaries," an official from a multilateral agency states flatly. "We will likely give equipment and things that can be monitored to government departments, but in terms of money, a lot of countries and organizations won't be willing to do it. The mechanisms just aren't there."

Sri Lanka does not have as bad an image as Indonesia's, but some events there will cause donors to pause. Government critics assert that a Feb. 1 tax imposed on much imported aid—which varies with the items and is exempt only if they are sent directly to the government—is being abused. Sarvodaya, which is Sri Lanka's biggest NGO, was sent 20 containers of aid from Dubai. Its executive director, Vinaya Ariyaratne, says the containers were held up by customs officials because his group couldn't pay the new levy. The containers were then passed to the Social Services Ministry for redistribution to Sarvodaya. But when they were finally handed over, says Ariyaratne, many items had been pilfered. "All the good clothes and food items had been removed," he says. "We only got some old clothes. We have now

requested our sponsors to stop sending us containers." Officials from the ministry say they know nothing about the incident.

Even in the absence of pilfering, Sri Lanka bureaucracy can be daunting. For example, the Linde Group, a German company, donated five forklift trucks to Sri Lanka's Ministry of Health, after a direct appeal by Hemantha Beneragama, the ministry's director of medical supplies. The trucks, valued at some \$130,000, arrived in Colombo on Jan. 22 and have sat in a warehouse ever since. A German engineer sent by Linde to help put the trucks into service returned home after waiting a week for them to clear customs. Beneragama attributes the holdup to a lack of personnel and "procedural delays." But Ricky Fernando, director of Scott International, the local distributor for the Linde Group, says the trucks are still in the port because the ministry hasn't figured out how to pay duty on them.

Tangled in red tape, many survivors are dispensing with aid and are instead building a new life for themselves. Murizal Hamzah, a freelance journalist in Aceh, escaped the tsunami after neighbors pulled him out of the water to the safety of a second-floor balcony. Conscious of his luck, the 37-year-old cadged donations of a few hundred dollars from friends and colleagues in Jakarta, then sifted through pages of scrawled proposals from scores of refugees to find the best prospects for a microloan enterprise. "Every three or four weeks I will pay them a visit and have a chat with them, asking them how they get on with their business," says Hamzah. For now, he relies solely on the goodwill of the borrowers to return the money as promised. "One year, two years, whenever," says Hamzah. He lent \$400 to Sahrul, a 32-year-old mechanic who lost his wife and 9-month-old baby to the tsunami, so that Sahrul could start up a motorcycle-repair business that had been destroyed by the water. The mechanic agreed to repay the loan in a year's time. "Once it's returned," Hamzah says, "I'll lend it to someone else." Forget the wrangles between governments and aid agencies far away; that indomitable spirit is the best possible reason for hoping that Aceh and the rest of a wracked region will soon make a full recovery from the day when the sea ate the land.

With reporting by Aravind Adiga/Galle, Zamira Loebis/Lamno, Andrew Marshall and Jason Tedjasukmana/Banda Aceh, Nathan Thornburgh/New York and Lasantha Wickrematunge/Colombo

A Relief Report Card

What Went Right—and Wrong

The tsunami was unprecedented in its power and reach, so there was no road map for dealing with it. Some aspects of the relief effort have gone well—and some have not.

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Time April 4, 2005 Vol. 165, No. 13

THE RIGHT STUFF

• **RAPID RESPONSE:** Officials in Indonesia and Sri Lanka, the two hardest-hit countries, were quick to acknowledge that they could not cope on their own and urgently sent out an international SOS. Within a few hours, an Indian air-force plane carrying 600 kg of medical supplies had landed in Sri Lanka's capital, Colombo, and by the next day, four Indian navy relief ships were anchored off Galle and Trincomalee. Because of a separatist insurgency, Aceh province in Indonesia had been under martial law, which sealed it off from the rest of the nation and the world. But two days after the tsunami, Indonesian President Susilo Bambang Yudhoyono canceled the rules that had barred outsiders from Aceh, enabling U.N. agencies and foreign NGOs and troops to hurry in. "I've been in countries where the government puts up all sorts of blocks and slows down the arrival of people and food," says Francis Kenyi, a U.N. official in Calang, Aceh. "It has a terrible effect on the refugees. The decision to let [everyone] in was absolutely critical."

• **WINNING HEARTS AND MINDS:** In many parts of Asia, the military is associated with putting people down, not lifting them up. Not so for Singapore's 900-member contingent in Aceh. "They just got on with the business without making a song and dance about it," says a Western diplomat who spent several weeks in the province. The Singaporeans were well-equipped, with a fleet of giant Chinook helicopters, and had plenty of personnel fluent in Indonesian. They were the first foreign forces in the battered coastal town of Meulaboh. Most important, Singapore's officers and soldiers were told that deference—both to the Indonesian military and to the ragged survivors—was the order of the day. Despite the tropical glare, the wearing of sunglasses was banned as too impersonal. There was no hurling of relief supplies out of helicopters or tossing candies to kids. Says Colonel Tan Chuan Jin, the Singaporean commander in Meulaboh: "Treating people with basic dignity and respect helped us a lot in gaining trust."

• **CONTAINING DISEASE:** After the tsunami receded, the fear was that diseases like cholera would break out. It never happened. Doctors and paramedics were among the first relief personnel rushed in, along with chlorine tablets to disinfect water, clean water in tankers, bottles and sachets, and packets of oral rehydration salts to fight diarrhea. In Aceh, to

hasten the burial of the dead, officials and local Islamic leaders agreed to have bodies buried in mass graves without kafan, the white sheets required for a proper Muslim funeral. And most of the countries affected by the tsunami have good child inoculation programs and health education. "The vaccination coverage in Sri Lanka is excellent," says Chris Daley of Médecins Sans Frontières in the Sri Lankan town of Kalmunai. "Sanitation is also very good—people are very cleanliness-conscious—and that really paid off."

WHAT'S GONE WRONG

• **COLD COMFORT:** Donors often gave inappropriate forms of aid. Thousands of thick, insulated, windowless tents designed for cold weather were distributed by some international aid agencies in Sri Lanka, where they turned into saunas. Sri Lanka also received winter hats, cologne and thong underwear. Why the jumble? Mainly because of a lack of coordination among hundreds of NGOs. In the Sri Lankan village of Ampara, a fisherman received two boats—one from the government, the other from a foreign NGO unaware that he had already been compensated. The Thai town of Nam Khem received so many donated clothes that survivors cherry-picked what they wanted and sold the rest in the local market.

• **MARGIN OF SAFETY:** Consideration of a buffer zone to protect coastal communities from future ocean catastrophes is causing widespread frustration. Sri Lanka's government has announced that it will create a 100-m-wide strip along the coast in which no houses or commercial establishments will be allowed. But it's not clear if the new rule will be enforced, or if it applies only to new structures. To add to the confusion, some officials have said that the no-construction zone for the northeastern part of the island, which was hit the hardest by the tsunami, stretches a full 200 m inland. That's also India's stated measure for its own coastline. Within it, building is still allowed, but at personal cost. Beyond it, the authorities pick up the tab for new housing for fisherfolk.

• **WARNING CRY:** Nobody will ever know how many lives would have been saved if there had been adequate warning of the tsunami. Aceh would surely have been devastated in almost any circumstance. But the waves did not hit Phuket for at least 90 minutes after the earthquake, and took almost two hours to reach India and Sri Lanka. Experts from the U.N.

and Indian Ocean countries have now agreed to set up a regional tsunami-warning system by the end of 2006. Tidal gauges and seabed sensors will be used to detect when a quake has triggered a tsunami. But experts are worried about its likely effectiveness. Even the most high-tech warning system can struggle to get the message out quick enough when time is limited. In Japan, within minutes of an undersea earthquake, warnings are broadcast on radio, television and outdoor speakers. But with their poor infrastructure and scattered populations, Indian Ocean

nations face greater difficulties. With luck, the new scheme will be capable of issuing alerts for other ocean-based natural disasters too. "Cyclones, typhoons, floods, landslides—all these occur much more regularly," notes Andrew Maskrey, who heads the U.N. Development Programme's disaster section. "If the warning system is designed for these as well, it'll be maintained. If it's for something that occurs only every 100 years, it'll sound more like your grandfather's tale than a real threat."