Habitat Resource Centre - Sumatera

Reducing poverty housing and improve housing condition for better quality life in Sumatera Island, Indonesia

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1 Urban Sector Review

1.1 Basic General Data

Geography and Administration
Indonesia is a maritime contry in South East Asia with total area 1,904 thousand square kilometres. Indonesia consist of 17,508 islands, about 6,000 are inhabited.

The five largest island are Java, Sumatera, Kalimantan, Sulawesi and Papua. Jakarta is the capital city of Indonesia located in Java island is the largest city in Indonesia followed by Surabaya, and Medan. Administratively, Indonesia consist of 33 provinces. Each provinces are subdivided into regencies and cities, which are further subdivided into subdistricts, and again into villages grouping.

Demography and Health

Indonesian population is the forth biggest country in the world after China, India and United States. The total population of Indonesia in 2007 was 225.63 million. The average density is 134 people per square kilometre (374 per sq mi) , and Java is the world most populous island, has a population density 940 people per square kilometre (2435 per sq mi).The population growth rate was 1.2 % in 2007. It is expected that in year 2025 the population will increase about 57% of the total population. Life expectancy at birth in 2006 was 68 years old. Fertility rate 2.2 total birth per woman, mortality rate under 5 was 34 per 1000.

Economy

Indonesia's estimated Gross Domestic Product (GDP) for 2007 is US$ 408 billion, the estimated nominal per capita GDP is US$1,812. The services sector is the economy's largest and accounts for 45.3%, this followed by industry (40.7%) and agriculture (14%). However agriculture employs more people than other sector, accounting for 45.3% for the 95 million strong workforce.This is followed by the services sector (36.9%) and industry (18.8%). Major industries include petroleum and natural gas, textiles, apparel, and mining. Major agricultural products include palm oil, rice, tea, coffee, spices, and rubber.

1.2 Urban Facts and Figures related to Housing Development

Every year there are about 800,000 housing needs all over Indonesia. Highest needs is in West Java reaching more than 250,000 per year, followed by Central and East Java which reach more than 50,000 each per year. Highest needs in Sumatera Island is in Riau province with above 50,000 unit housing need per year.

According to Indonesia Statistical Bureau 2007, housing backlog in Indonesia were 8 million. Highest distribution found in Java with West Java reaching almost 1,2 Million housing backlog, followed by East Java (more than 800,000), and then Central Java more than 700,000 and DKI Jakarta more than 250,000.

Outside Java, Aceh is the highest with more than 420,000 housing backlog, followed by North Sumatera almost 250,000 housing backlog, and South Sumatera reaching almost 210,000 housing backlog.

Eastern Indonesia and Kalimantan contributing less than 200,000 each with South Sulawesi close to 200,000 housing back log while other provinces contributing slightly higher than 150,000 (West Nusa Tenggara, West kalimantan, South Kalimantan, and North Sulawesi). The rest are all below 100,000 housing backlog each (Bali, East kalimantan, Central kalimantan, East Nusa Tenggara, Central Sulawesi, South East Sulawesi, Gorontalo, and Maluku and North Maluku and Papua)

1.3 Policy

There are several levels of decision making for housing provision and human settlement development in Indonesia. At the national level (Ministry of Housing and Settlement) decision making mainly concerns on long term and standing policies. Ad-hoc policy decision usually responding to urgent or emergency situations, are made by inter – departemental and state agency forums. At the site selection in relation with regional and urban development decision making at the community level is undertaken for choosing housing standards and mobilizing resources. Long term and standing policies on housing and human settlement has been formulated through national housing workshops organized every ten years. Participants representing national and regional administrators, real estate businesses, NGO's, bankers, experts and various disciplines over Indonesia, get involved in the workshop[1].

1.4 Actors and their Roles

Government of Indonesia

Since 1974 government of Indonesia conducted a nation wide and massive housing programes. Those are providing housing for low income people, government organized resettlement program know as transmigration program, Slum up grading program known as Kampung Imporvement Program (KIP), Rural settlement development and up grading.

Slum upgrading program or Kampung Improvement Program (KIP) initiated by Jakarta Capital City government in 1972, and later adopted by the national government from 1874-1993. The KIP has covered areas 85,000 hectares of slum areas, helping more than 36 million people at almost 2000 location in several towns and cities

By 1998 – 2002 government programs on housing and human settlement only focused on relieving Internal Displaced people (IDPs) and disaster victims and rehabilitating facilities at conflict areas. There were 944.000 IDPs of 186.000 households coming from conflicts area and natural disaster prone areas in several regions.

By 2005 – 2009, Indonesia plan to build 1 million subsidized housing units, facilitate subsidized credit for 1.94 million organized housing construction and 1.2 million self built housing units and assist improvement of 1.35 million unit houses. Furthermore it will provide human settlement infrastructure and facilities to serve 1.2 million organized hosing units for low income household, 3.15 million self built housing complex and 13.5 thousand hectares of slum areas[2].

Housing private business

There are many private business initiatives such as housing development by utilizing ownership loan facilities since 1974. From the mid eighties to 1997, private business capacity to manage housing development grew faster than the government programmes. Over twenty big scale housing development, 80 percent located surrounded Jakarta covering 500 hectares to 6000 hectares, were managed by private real estate business. However, only 30% of big scale housing development tends to be sustainable settlement.

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[1] Human Settlement Country Profile Indonesia

Non Government Organizations (NGO's)

New approaches of settlement improvement introduced by NGO's and adopted by national and local government at several locations. Physical environment up grading combined with social and economic empowernment become the frame work adopted by entire stakeholders of human settlement development and management. (Human Settlement Country Profile Indonesia 2004)

2 Organisation

Habitat for Humanity Indonesia is a non profit organization dedicated to eradicating homeleness and poverty housing means of construction simple, decent and affordable housing with low income families. Habitat for Humanity Indonesia was established in 1997, and up to now presence in 8 cities in Indonesia, there are 6 affiliates in 6 cities, 1 reconstruction project in Meulaboh, Aceh Province and 1 Habitat Resource Centre office in Medan, North Sumatera. Up to October 2008, Habitat for Humanity Indonesia has serving 10,930 families by renovation and building new houses.

Tabel 1. Habitat for Humanity Indonesia office

NO	OFFICE/CITY	PROVINCE	ISLAND	NOTE
1	JAKARTA	D.I. JAKARTA	JAVA	Central Office & affiliate
2	BANDUNG	WEST JAVA	JAVA	Affiliate
3	YOGYAKARTA	D.I. YOGYAKARTA	JAVA	Affiliate
4	SURABAYA	EAST JAVA	JAVA	Affiliate
5	MANADO	NORTH SULAWESI	SULAWESI	Affiliate
6	BATAM	RIAU	SUMATERA	Affiliate
7	MEULABOH	D.I ACEH	SUMATERA	Project
8	MEDAN	NORTH SUMATERA	SUMATERA	Habitat Resource Centre

Source : www.habitatindonesia.org

Habitat for Humanity Indonesia has regular program as a long term housing development and disaster response project as the response on housing need after disaster.

SAVE AND BUILD PROGRAM

The regular program is called Save and Build Program. Families contribute 1/3 of the construction cost by saving and Habitat provide 2/3 of house cost by a loan of home partner without provit or interest. Habitat for Humanity Indonesia get

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[2] Human Settlement Country Profile Indonesia

fund from potential donors both from local and international donor (corporate) which interested on housing development for poor families. As Habitat for Humanity Indonesia strives to serve more families and to meet the needs of lower income families, Habitat designed a model of construction of a core house that can be expanded at later date by building of additional stages. This model utilizes fewer initial construction resources, providing an opportunity for more families to be served, and allowing families to make smaller repayments over a shorter period of time, with an average of 2 - 4 years. The monthly repayment paid by homepartners does not only benefit the individual family or that particular project, but also used to build many other houses in other communities (revolving fund).

DISASTER RESPONSE PROJECT

Habitat for Humanity Indonesia also develops post emergency response to provide permanent house for disaster victims. Up to 2008, Habitat for Humanity Indonesia has involved in four disaster response projects. In 2002 Habitat for Humanity Indonesia involved in the fist disaster response project for flood victim in Sukakarya village by built 50 houses. The Aceh Post Tsunami Housing Reconstruction Project was the biggest disaster response project of Habitat for Humanity Indonesia as a response to the earthquake and tsunami that occurred on December 2004, Habitat for Humanity Indonesia had built 5950 unit houses in 5 district area since 2005 until 2008.

During the 2006 and 2007, Habitat for Humanity Indonesia was responding to the earthquake disaster in Jogjakarta Province (2006) and Jakarta flood (2007). Habitat for Humanity Indonesia had built core house for 1109 families from 2006 until 2007 as the response of Jogjakarta earthquake, and during the Jakarta flood 2007, Habitat served 1006 families by providing housing rehabilitation project.

Tabel 1. Number of unit (houses built and/or family served)

Program / Project	Year	Unit	Name	Location
Regular Program	1997 - 2008	2,815	Save and Build	6 affiliates
Disaster Response Project	2005 - 2008	5,950	Tsunami Project	Aceh
Disaster Response Project	2007	1,006	Jakarta Flood	Jakarta
Disaster Response Project	2006-2007	1,109	Jogja Earthquake	Yogyakarta
Disaster Response Project	2002	50	Sukakarya Flood	Jakarta
	Total :	**10,930**		

Source : Statistical Report October 2008, Habitat for Humanity Indonesia

3 Urban Problem

Sumatera island is the biggest island in the west part of Indonesia. It is the sixth largest island in the world approximately 470,000 km2 and is the 3rd largest island in Indonesia after Kalimantan and Papua with total population more than 45 million. The island of Sumatera consists of 9 provinces of Indonesia. Sumatera is not very densely populated, with only about 96 people per km^2, it is nonetheless the fifth most populous island in the world. The most populous province in Sumatera island is North Sumatera with more than 12 million people and the population density 169 person per km2.

Tabel 2. Population Density in Sumatera Island per province

NO	Province	Capital city	Population Density per km2 by Province
1	North Sumatera	Medan	169
2	South Sumatera	Palembang	73
3	West Sumatera	Padang	106
4	Riau	Pekan Baru	62
5	Lampung	Bandar Lampung	201
6	Jambi	Jambi	49
7	Bengkulu	Bengkulu	78
8	Bangka - Belitung	Pangkal Pinang	65
9	Aceh	Banda Aceh	78

Source : The Statistical Year Book National Bureau of Statistic 2006

Total population of Sumatera Island is about 45 million, and 17% are categorized as poor people. The poor population based on the indicator of poor people according to the Indonesian Ministry of Social Welfare. The poor indicator measured based on the concept approaches of fulfilling basic need, poor population viewed as the incapacity to fulfilling the basic need such as food and non food.

Tabel 4. Poor Family Indicator in Indonesia

No	Category	Indicator
1	House size	Less than 8 m2
2	Type of floor	Made from soil/bamboo/low quality wood
3	Type of wall	Bamboo/palm leaves/low quality wood/brickwall without structure/plaster
4	Type of roof	Palm leaves/low quality roof
5	Water & sanitation access	No access to water supply & sanitation
6	Water source	Water source from river, rain, unprotected well
7	Asset	Have no asset minimum 50 USD (motorcycle, stocks)
8	House hold source of fuel	wood/charcoal/kerosene
9	Protein consumed	Only consume milk or meat once a week

10	Clothes	Only buy shirt/dress once a year
11	Food	Only eat one or twice a day
12	Health Care	Could not afford to pay medical expenses
13	Income	Less than US$ 100 per month
14	Education	Elementary school
15	Saving	Has no saving

Source : Indonesia Ministry of Social Welfare 2006

Tabel 3. Population and Poverty per province in Sumatera Island

NO	Province	Population	House Hold	Poor Population	%
1	Aceh	4,098,000	979,000	1,157,200	28 %
2	North Sumatera	12,123,000	2,729,000	1,800,100	15 %
3	West Sumatera	4,535,000	1,071,000	472,400	10 %
4	Riau	5,712,000	1,364,000	744,400	13 %
5	Jambi	2,625,000	644,000	325,100	12 %
6	South Sumatera	6,628,000	1,548,000	1,379,300	21 %
7	Bengkulu	1,549,000	373,000	345,100	22 %
8	Lampung	7,064,000	1,681,000	1,561,700	22 %
9	Bangka – Belitung	1,024,000	243,000	91,800	9 %
		45,349,000	10,632,000	7,877,100	17 %

Source : The Statistical Year Book of National Bureau of Statistic 2004, and Data and Information on Poverty of National Bureau of Statistic 2004 (Districts data)

According to the poor indicator from Indonesian Ministry of Social Welfare especially number 1 until 6 (House size, type of floor,wall and roof, water and sanitation access, water source), it indicate about housing condition. Since there is no detail statistic data on the housing need or poor housing, it could assume that the number of poor population is indicate the poor housing. There are about 17% from the number of house hold are living in sub standard houses or 1.807.440 families.

Sumatera Island consist of 9 provinces,the most populous province is North Sumatera and Medan the capital city is the most populous city, with 2,067,288 population, 435,281 house hold and density 7798 people per km^2. The poor population in North Sumatera in 2004 was 146,600 people and in 2006 increased by 0.55% to about 160,650 people. With the assumption of poor indicator, the 15% of the population or 160,650 people are living in substandard house.

Tabel 4. Poor housing indicator

No	House	Indicator
1	Size	Less than 8 m2
2	Type of floor	Made from soil/bamboo/low quality wood
3	Type of wall	Bamboo/palm leaves/low quality wood/brickwall without structure/plaster

4	Type of roof	Palm leaves/low quality materials
5	Water & sanitation	No access to water supply & sanitation
6	Water source	Water source from river, rain, unprotected well

Source : Indonesia Ministry of Social Welfare 2006

VURNERABLE ISLAND

Sumatera island is a vurnerable island, the fracture of Sumatera is the active fracture and caused a lot of natural disaster. It is recorded in 2003 there was 10 times earthquake above 5 scale ricther that caused more than 600,000 human casualities injured and death and more than 50,000 houses damaged.

Table 5. Earthquake with magnitude above 5 scale richter in Sumatera Island in 2003

No	Location	Date	Epicenter	Depth (KM)	Magnitude (SR)
1	Gunung Sitoli (North Sumatera)	1/9/2003	1.3400N 97.9900E	30	5.4
	Sibolga (North Sumatera)	1/9/2003	1.3400N 97.9900E	30	5.4
	Padang panjang	1/9/2003	1.3400N 97.9900E	30	5.4
2	Bengkulu	1/19/2003	3.7900S 101.2800E	80	5.1
3	Pangkalan Brandan (North Sumatera)	1/22/2003	4.9200N 97.8800E	23	5
	Lansa (East Aceh)	1/22/2003	4.9200N 97.8800E	23	5
	Medan (North Sumatera)	1/22/2003	4.9200N 97.8800E	23	5
4	Banda Aceh	2/2/2003	3.7200N 94.7100E	33	4.7
5	Bengkulu	3/3/2003	4.9600S 101.6800E	65	5.3
6	Bengkulu	3/6/2003	4.6600S 103.2400E	105	5.8
7	Bengkulu	5/2/2003	4.6600S 101.8300E	33	5.6
8	Bengkulu	9/17/2003	8.2500S 98.9300E	33	5.9
	Padang Panjang	9/17/2003	0.5900S 100.6900E	33	5
9	Bengkulu	10/13/2003	4.8200S 102.1000E	33	5.4
10	Bengkulu	11/14/2003	3.6500S 101.8800E	54	5

Tabel 6. Disaster Casualities (human and houses) in Sumatera

No	Provinces	Human Causalties		Houses	
		Injury and suffer	death	Total and Severely Demaged	lightly damaged
1	Aceh	-	-	-	-
	North Sumatera	4,827	285	912	26
	West Sumatera	16,218	-	237	129
	Riau	244,714	9	3,447	8,340
	Jambi	252,949	11	1,429	38,381
	South Sumatera	92,694	1	1,630	2,123
	Bengkulu	125	7	45	-
	Lampung	212	-	-	3
	Bangka Belitung	-	-	-	-
	Total	611,739	313	7,700	49,002

In December 2004, the earthquake in Nias (North Sumatera) province and the tsunami in Aceh province resulted massive destruction, with between 169,000 people killed and 221,000 were missing, 1000 villages and town, 127,000 house and 1488 school were destroyed. Some 600,000 people lost their livelihoods.

Habitat for Humanity Indonesia as the organization which focus on housing has a strength and big opportunity to serve the people who need on housing especially poor people and people who affected by disaster, however there is also challenge on weakness and threats for the organization.

Strength :

- Flexibility of the program on housing development to meet the need
- Minimum overhead and operation cost
- Best practices on housing program in Indonesia and Asia
- Lessons learnt from Disaster Response program for mass building
- Habitat for Humanity Indonesia has good brand
- Habitat for Humanity Indonesia has donors that interested on housing

Weakness :

- Habitat for Humanity Indonesia implement all the program : community organizer, construction, fund delivery & repayment

- Affiliates model only could reach families surrounding the Habitat for Humanity Office and could only produced small number of houses (about 100 houses per year)
- Lack of innovative program, the program only save and build
- The save and build program is only reach few number of family because the characteristic of the program : the fund only for renovation and build new houses, saving system is slow down the program, the loan only based on the needs not based on the saving capability
- Financial operation capability (staffing on repayment)
- Habitat only build houses without integrated to other program such as water and sanitation, livelihood program.
- Lack of research on housing development : appropriate technology and appropriate material, implementation methodology
- Lack of networking to other organisation and government

Opportunities :
- National housing needs
- In country fund raising: brand name
- Innovative program in responding to housing needs
- Revenue and program sustainability
- The culture of incremental housing in the community
- The social capital in the community : self help housing, micro credit
- Potential donors and partners
- Corporate Social Responsibility policy
- Pro poor government policy

Threats :
- Economic crisis
- Land availability
- Political instability & religious conflict
- Clarification of organization legal umbrella for housing micro finance
- Project control and monitoring due to distance
- Partners has no experiences on housing micro finance scheme
- Accessibility to the disaster area
- Unstable prices construction material.

According to the urban problem in Sumatera Island and SWOT analisis, the urban problem can be summarized as the following :

1. How can poor or low income families access to housing development programme?

2. How can national non government organizations (NGO's) scale up to reginal level to reach more families who need housing development ?

3. How can national non government organizations (NGO's) reach more families who need post disaster housing ?

4 Proposal for Change and Improvement

Habitat Resource Centre (HRC) is a new strategy of Habitat for Humanity Indonesia to scale up to reach more families who needs on housing development at regional level. The HRC's programme has five caracteristics to make it more accessible to reach more poor families. Those five characteristics are flexible, innovative, responsive, sustainable, and offering housing solutions. Flexible and innovative (allow to develop a programme that meets local needs), responsive (response to the local needs), sustainable (able to maintain the programme for long term) and offering housing solution (by construction method, microfinance scheme and community organizing).

Proposal :

Habitat Resource Centre Sumatera – Reduce poverty housing and improve house condition for a better quality life in Sumatera Island, Indonesia

Brief Description of Habitat Resource Centre Sumatera :

Habitat Resource Centre (HRC) Sumatera is the regional office for Sumatera Island. The office located in Medan the capital city of North Sumatera Province. HRC Sumatera will cover 9 province in Sumatera Island through public private partnership (government, private sector, organizations, institutions) such as funding from local and international donors (corporate donors), sharing experiences from local and international network, government support in regulation and infrastructure, research and knowledge form university institution,

and implementing partner organizations such as microfinance/credit union institution and community based organization.

Goal :

Reduce housing poverty and improve housing condition for better quality life in Sumatera region

Objectives :

1. To address housing poverty by building decent, safe and affordable houses through

2. To develop a programm that accessible for the poor families

3. To make partnership with microfinance institution or credit unions, and bank for better mortgage management and sustainability

4. To make partnership with organizations (Non Government Organization, Community Based Organization)on reginal level as implementing partners, institution (universities) on building technology research, (religious institution) on community organizing and mobilization

5. To conduct capacity building for staff and communities

6. To develop a system of disaster risk management

7. To conduct comparative study or research on building technology (house design and appropriate material for cost effective housing)

Methodologies :

1. Mortgage management through partnership with microfinance institution, cooperatives and Bank

2. Community based building and livelihood development in partnership with Churches, other religious institutions, NGOs, and Community Based Organisations (CBOs)

3. Repair, renovate and construction of new houses

4. Logistics support and material fabrication (interlocking blocks, integrated blocks, and other local materials, etc.)

5. Disaster response mitigation and project management

6. Study for design and appropriate material for cost effective housing

7. Training and capacity building

8. Volunteer mobilization

ACTION PLAN :

ACTIVITY	TIME
Organizing HRC Sumatera : • Office set up • Organization structure • Staffing	December 2008
Program Planning : • Program development • Social Mapping • Project Proposal	December 2008
Conduct partnership on finance : • Microfinance institutution • Cooperation • Bank • Curch • Non governmental organization	December 2008 until further
Conduct partnership on community organizing / mobilization : • Religious institution • Non governmental organization	December 2008 until further
Conduct partnership on implementing partners : • Non governmental organization • Community Based Organization Microfinance institution & cooperation	December 2008 until further
• Implementation Microfinance on housing	January 2008 until further

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